

**MINUTES
OF
REGIONAL RESOURCE STEWARDSHIP COUNCIL
MEETING**

January 31, 2002
Huntsville, Alabama

Present

1. Mr. Lee Baker
2. Mr. Jimmy Barnett
3. Senator Roger Bedford, Jr.
4. Mr. Austin Carroll
5. Ms. Ann Coulter
6. Mr. Bill Forsyth
7. Mayor Thomas Griffith
8. Ms. Julie Hardin
9. Dr. Kathryn J. Jackson (DFO)
10. Ms. Miles Mennell
11. Mr. W. C. Nelson
12. Ms. Elaine Patterson
13. Mr. Bruce Shupp (Council Chair)
14. Dr. Stephen A. Smith
15. Mr. Greer Tidwell, Jr.
16. Mr. Dave Wahus (Council Consultant)

Absent

17. Mr. Phil Comer
18. Mr. Karl Dudley
19. Mr. Al Mann
20. Mr. Herman Morris, Jr.
21. Mr. Jim Sutphin
22. Dr. Paul F. Teague

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2. TVA's Formal Response-of-Record to the Council's Second Round of Recommendations
3. Draft Recommendation from the Legislative Action Working Group – Federal Appropriations
5. Copy of Slides from Presentation on Essential Stewardship – Randy Trusley, TVA

Approved by


Chair

1 REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

2 JANUARY 31, 2002

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1 REGIONAL RESOURCE STEWARDSHIP COUNCIL

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3 MR. BRUCE SHUPP (COUNCIL CHAIR)

4 DAVE WAHUS (FACILITATOR)

5 SENATOR ROGER BEDFORD, JR.

6 MR. W. C. NELSON

7 MR. AL MANN

8 MAYOR THOMAS GRIFFITH

9 MR. BILL FORSYTH

10 MR. HERMAN MORRIS, JR.

11 MR. JIM SUTPHIN

12 MS. ELAINE PATTERSON

13 MR. LEE BAKER

14 MR. JIMMY BARNETT

15 MR. AUSTIN CARROLL

16 MR. KARL DUDLEY

17 MR. PHIL COMER
18 MS. ANN COULTER
19 MS. JULIE HARDIN
20 MS. MILES MENNELL
21 MR. GREER TIDWELL
22 DR. STEPHEN A. SMITH
23 DR. PAUL F. TEAGUE
24
25

3

1 MR. BRUCE SHUPP: Take your seats,
2 please. Good morning. I want to welcome all
3 Council members and subcommittee members, TVA staff
4 and guests to the final meeting of the first
5 chartered Regional Resource Stewardship Council.
6 Good morning, Greer.
7 MR. GREER TIDWELL: Good morning.
8 MR. BRUCE SHUPP: This will be
9 strictly a business meeting. We had some reflection
10 on our two-year history last night. It was very

11 enjoyable, very positive, and for those of you that
12 missed it, I'm sorry you did.

13 The first thing this morning we will
14 have Mr. Dave Wahus review the agenda.

15 MR. DAVE WAHUS: If you will look at
16 the agenda that's on the table, it's different from
17 the one that was mailed to you. The items that are
18 on the agenda are all the same, it's just they have
19 moved a little bit.

20 The first presentation this morning
21 would be a presentation on the essential
22 stewardship, followed by the progress report on the
23 reservoir operation study, and then a break. The
24 feedback from TVA on the recommendations submitted
25 to the TVA Board of Directors will be done by Kate

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1 Jackson, and then a recommendation from the water
2 quality subcommittee and a recommendation on the
3 appropriations funding of TVA non-power programs.

4 Following lunch, and the buffet

5 lunch, will be Salon B, which is just over on the
6 other side of the wall there behind Austin Carroll,
7 and then public comments starting at 1:00, followed
8 by discussions, and then the -- any last minute
9 business before we adjourn.

10 Does anyone have any questions or
11 changes that need to be made by the --

12 DR. KATE JACKSON: One thing that I
13 would like to have Janet Herrin do is just before
14 Dave Nye talks about the reservoir operations study,
15 just give a little brief update on what happened in
16 the storm last week and how the system performed,
17 just so you-all have a little bit of information
18 about what's going on.

19 MR. DAVE WAHUS: Okay. Any other
20 changes or any questions about the agenda? Well,
21 Mr. Chairman, I think we're about 25 minutes ahead
22 of our schedule. One administrative announcement,
23 the men's restroom is across the hall to the right
24 and the ladies' restroom is across the hall down to
25 the left just about to the end of hall, so don't

1 give up if you start walking down that way to find
2 it.

3 MR. BRUCE SHUPP: Okay. The first
4 speaker is vice president and controller of TVA,
5 Mr. Randy Trusley, who is going to talk to us about
6 essential stewardship, interpreted, that means, I
7 think, is the status of the appropriated -- the
8 programs that were funded with the appropriated
9 funds that now not funded with appropriated funds.

10 DR. KATE JACKSON: If you will
11 recall, some of you had some questions about what
12 our spending levels are and where they have gone
13 over the last several years as we have moved from
14 being funded by appropriations to being funded by
15 power revenues entirely, so Randy is going to talk a
16 little bit about that.

17 MR. RANDY TRUSLEY: Thank you, Kate,
18 and Mr. Chairman. I appreciate the Council allowing
19 me to come back. I came and spoke to you-all back
20 in the spring, I think it was, regarding just some
21 of the legislation that had been written around
22 appropriations in the past, and Kate asked me to

23 come and talk to you today about the funding of the
24 water and land stewardship program. And she didn't
25 really ask me to talk to you about any specific

6

1 thing, so I am going to just lay some information
2 out to you and allow you-all to ask questions.

3 I think it would be best if I can
4 address your specific issues instead of those that I
5 might have or may know about. One thing, TVA does
6 appreciate the work that you-all have done. You-all
7 have spent a lot of time and a lot of resources and
8 giving us a lot of feedback, and we hope that the
9 dialogue continues in the future.

10 Just to start you out, I want to
11 start out in 1997 just looking at the levels of
12 funding. This is millions of dollars for the land
13 and water stewardship programs. I have it in more
14 detail on another slide that we will talk about some
15 specifics, but this kind of gives you an idea of
16 what has happened since 1997.

17 It was a little similar -- as you go
18 on back, there's a long story of TVA and its
19 appropriated efforts going back to the Reagan years
20 when we were zeroed out by the administration and
21 then funded by Congress. So you-all know a lot of
22 that history. There's been a lot of battles, some
23 of which we came out pretty well in and others we
24 haven't faired so well. So it gives you an idea of
25 the trends.

7

1 This is the information broken down
2 by -- and I don't know how well you're going to be
3 able to read this. We will move on over into the
4 other years in a minute, but these are the areas
5 that typically have been reported to Congress, the
6 areas that we in TVA have continued to track
7 expenditures by, primarily because those are the
8 areas that were important to our constituents.

9 If you will look in the area of the
10 capital, that's primarily driven by projects. Those

11 are things that pop up. That funding will shift
12 from one year to the next based on what is required
13 from a capital project perspective, both the dam
14 safety, particularly in the navigation area.

15 One thing that is going on right now,
16 all of TVA's projects go through a project review
17 committee. It's every capital project that we have.
18 Janet Herrin that sits on that committee. It's a
19 committee of vice presidents in TVA.

20 You can see in this year, in 2002,
21 we're spending about 13 million dollars on capital
22 projects in the water and land stewardship area.
23 Some of those -- I think it's dam safety
24 improvements or -- yeah, dam safety and capital
25 improvements that went up so much.

8

1 There again, it's the nature of those
2 type of expenditures, what is needed, and those
3 compete primarily on a safety and a regulatory
4 basis. Those are one of the top two categories of

5 TVA's prioritization. Janet represents that area
6 well, and I sit on that board with Janet.

7 And it's pretty interesting around
8 TVA, a lot has changed culturally, in the past, I
9 will say, five years we have spent a lot of time
10 educating TVA managers, TVA employees on the vital
11 mission of TVA. If any of you have ever attended a
12 Disney Institute seminar at Walt Disney World you
13 will learn about how Walt Disney introduces their
14 employees to the Disney company, and the first thing
15 they spend some time on is about the history and the
16 legacy and the creativity that started Disney.

17 About five years ago we started that
18 same type of initiative in TVA, is to rekindle and
19 bring back what we lost regarding our original
20 mission, and I think now you will find that almost
21 every employee in TVA understands the value of the
22 water, of the river system, the value of the
23 stewardship, the land that we own, and what our
24 responsibilities are and how those play into the
25 bigger picture of TVA.

1 A lot of that goes to Kate's credit.
2 She sits on the executive committee and she's pushed
3 these issues. She is very familiar with the
4 intricacies of how the balance works and what our
5 mission is, and she's pushed that in a way that has
6 really sold a lot of our upper executives.

7 I think we have a board now who
8 understands that mission and is committed to that
9 mission, and I see -- I think you can see, just by
10 the way our company is looking at this particular
11 aspect of TVA, it's not something that we're
12 choosing to neglect.

13 Some of the areas of the -- in the
14 expenditures, I will just hit a couple of brief
15 issues, Kate came into this role in the former
16 resource role in 1995. There was a lot going on.
17 You will look in 1997, we were spending about 97
18 million dollars on these particular programs.

19 A lot of things happened in that
20 year, and particularly, there was a lot of
21 consolidation that went on. A lot of efficiencies
22 were gained, a lot of costs were pushed out that did

23 not necessarily impact the programmatic levels.

24 There was also a lot of carry forward
25 issues from former higher appropriations that we

10

1 were -- spent in that particular year, but you will
2 see the big hitter is in the reservoir land O&M area
3 where we had two organizations basically doing the
4 same thing, not exactly the same thing, but there
5 were two organizations that were competing, and
6 there was a significant change in Kate's
7 organization at that time to better integrate those
8 and we got some efficiencies out.

9 There was also another programmatic
10 change, we began looking at our campground
11 situation. We began leasing some of those out or
12 turning some of those over to some counties. So you
13 can see that change there, but there was some
14 efficiencies gained by that.

15 Everything else primarily you will
16 see is funded at about the same level. Some of it

17 increasing, some of it goes up and down based on
18 initiatives that that particular program may have.
19 There again, there are some projects within the O&M
20 side just like the capital side that are treated
21 appropriately as projects.

22 So with that, I don't know how well
23 you have been able to tie all of that together.
24 We're kind of splitting it apart, but I would like
25 to open up for some questions. I can take you back

11

1 probably to the early '80s is about as far as my
2 history goes, so I can help back to that far, but
3 anything prior to that, we're going to have to go do
4 some research on.

5 So questions? Things that come to
6 your mind?

7 Yes, sir.

8 MR. BRUCE SHUPP: Randy, back in the
9 late '90s, '97, '98, when was the appropriation cut
10 off, '99 or --

11 MR. RANDY TRUSLEY: '99 was the last
12 year.

13 MR. BRUCE SHUPP: That was 50
14 million?

15 MR. RANDY TRUSLEY: 50 million.

16 MR. BRUCE SHUPP: And I think it was
17 70 the year of '98?

18 MR. RANDY TRUSLEY: And 106, I think,
19 the year before.

20 MR. BRUCE SHUPP: So what you're
21 saying is that the expenditures by TVA on
22 stewardship didn't always follow the appropriations?

23 MR. RANDY TRUSLEY: That's correct.
24 If you will recall, our appropriations covered like
25 five areas. One of those was land between the

12

1 lakes, which is not in here. The other one was the
2 Environmental Research Center at Muscle Shoals. The
3 other area was economic development. So, I guess,
4 four areas. The other area was water and land

5 stewardship.

6 Historically if you could track it
7 through some of the accounting changes throughout
8 TVA, you will find that that water and land
9 stewardship number has gone up a little bit with
10 inflation over time, if you go back the last ten or
11 15 years, but there are a lot of intricacies tied
12 with those appropriated dollars. Sometimes you
13 didn't get the -- you didn't see the value of that
14 level of funding always hit the ground. It would go
15 someplace else.

16 When you are tied to appropriations
17 and you're tied to congressional appropriations,
18 there are things that happen in those appropriations
19 where you don't control where that money goes. And
20 I think we are in the situation now where we control
21 where the money goes and we're trying to allocate
22 that and spend it on the things that bring the best
23 value to the Valley, and I think we have
24 accomplished that.

25 Yes, sir, Austin.

1 MR. AUSTIN CARROLL: This year for
2 2002 it looks like there's a jump of about -- you
3 know, somewhere in the neighborhood of 16 million
4 dollars and they are in, it looks like, two
5 principal areas, one of them in capital
6 improvements, and then the other one heritage
7 archeological something or another resources, is
8 that right?

9 MR. RANDY TRUSLEY: That's correct.

10 MR. AUSTIN CARROLL: What does that
11 say?

12 DR. KATE JACKSON: Heritage cultural.

13 MR. AUSTIN CARROLL: Cultural
14 resources, I couldn't read it. But could you
15 elaborate on those two areas and what those
16 increases are?

17 MR. RANDY TRUSLEY: I can speak well
18 to the dam safety, and I'm going to defer a little
19 bit to Bridgette on the cultural resources, but on
20 the dam safety issues that is, again, primarily some
21 projects and some backlog.

22 I think a year or two ago Janet went

23 in and did an assessment of our dam safety program
24 and found some delinquencies, and we committed to
25 catching those up and it's kind of a backlog and

14

1 getting that -- those things taken care of.

2 And on the cultural resources,
3 Bridgette, I'm kind of going to think those are
4 projects, too.

5 DR. KATE JACKSON: I can take that,
6 Bridgette. That's just based on the projects that
7 we're doing, the land reviews that we're going
8 through, and the land use planning activities that
9 we do reservoir by reservoir, and that just depends
10 on how you schedule those.

11 I think you might be looking at the
12 line below that though, that's only a \$700,000
13 change. The line below that is the total O&M.

14 MR. AUSTIN CARROLL: I was looking at
15 the next to the last line.

16 DR. KATE JACKSON: And that's the

17 total of those O&M -- that whole O&M column?

18 MR. AUSTIN CARROLL: Okay. Okay. I
19 couldn't see the left-hand part.

20 SENATOR ROGER BEDFORD: Kate, when
21 you speak to backlog, can you give us some kind --
22 will this get you current on your projected
23 maintenance schedule and capital improvement
24 schedule or should you anticipate further backlogs
25 that you're trying to bring on line?

15

1 DR. KATE JACKSON: There will be a --
2 a constant backlog. So what we -- what we're
3 attempting to do is keep the backlog relatively
4 level so that there's always -- always projects in
5 the pipe line but we are not having either the
6 assets or the projects sort of back up too far on us
7 so that they are not increasing.

8 Does that answer your question?

9 SENATOR ROGER BEDFORD: A little bit.
10 So you have still got more capital needs than you

11 have revenue available for?

12 DR. KATE JACKSON: Yeah. And that's
13 true in every business across the country.

14 SENATOR ROGER BEDFORD: I would think
15 so.

16 DR. KATE JACKSON: Yeah.

17 MR. AUSTIN CARROLL: I'm still
18 curious. What are we talking about when we talk
19 about dam safety improvements? I mean --

20 MR. RANDY TRUSLEY: Well, you're
21 looking at things like the spillway gates to make
22 sure they're operational, the chains and mechanisms
23 that control those waterways, emergency spillways
24 associated with that.

25 DR. KATE JACKSON: There are two

16

1 pieces of the dam safety program. One is dam safety
2 O&M where we go out and do the inspections and
3 ongoing activities to examine the status of the dam
4 structures, all the appurtenant structures that are

5 beside the dams, and then all of the lock structures
6 and the spillway gates, all the sluices, all the
7 extra structures that there are associated with the
8 dam. So part of that is the activities to
9 constantly inspect.

10 Then there's also a program -- there
11 are two pieces of the other program, one is to just
12 do ongoing capital improvements on some of those
13 projects, chains and cables and painting the gates
14 and coatings, and part of it is to make sure we are
15 always up to the federal dam safety guidelines.

16 And about 15 years ago we started a
17 ten-year program to get us up to the federal dam
18 safety guidelines, and some of that included
19 reexamination of the probable maximum flood and
20 upgrading some of those dam structures so that we
21 would be where we needed to be with respect to those
22 PMF's.

23 If you want more detail, I'm sure
24 Janet would be happy to provide it.

25 MR. RANDY TRUSLEY: Other questions?

1 DR. KATE JACKSON: The dam safety --
2 some of those capital are also bridge structures.
3 TVA owns a lot of bridges, you know, as you either
4 cross dams or cross some of the reservoir property,
5 so those bridges often need either redecking or
6 repainting some -- there are some that are in fairly
7 bad shape.

8 MR. AUSTIN CARROLL: And all of this
9 money comes out of power funds, is that right?

10 MR. RANDY TRUSLEY: That's correct.

11 DR. KATE JACKSON: That's right.

12 MR. BRUCE SHUPP: Any more questions?

13 MR. GREER TIDWELL: Randy, on the
14 land O&M, land use strategy, and hazardous waste,
15 I'm just trying to get a general idea, is hazardous
16 waste a very small part of that?

17 MR. RANDY TRUSLEY: Sometimes, but
18 there again, there are some projects that pop up. I
19 guess three come to mind where you find something
20 that has been there since the '20s or even the
21 1800's. The Florence Wagon Works come to mind here
22 in Alabama where there was a lot of lead paint and

23 those things can get very expensive.

24 MR. GREER TIDWELL: So the hazardous
25 part of that is cleanup as well as -- it shouldn't

18

1 be current operational facilities, it's all cleanup.

2 MR. RANDY TRUSLEY: It's all cleanup.

3 MR. GREER TIDWELL: Can you give
4 me -- is it half of that 15 million number or --

5 DR. KATE JACKSON: No, it's
6 significantly less than, and it changes depending
7 upon what is found. I mean, we --

8 MR. GREER TIDWELL: Sure. I make a
9 living doing that. I understand.

10 DR. KATE JACKSON: We currently don't
11 have enormous hazardous waste projects ongoing.

12 MR. RANDY TRUSLEY: Those things -- I
13 think the maximum we would probably spend on those
14 in any one year would be about a million, a million
15 and a half dollars.

16 MR. GREER TIDWELL: I'm just trying

17 to get a feel for the land management dollars.

18 MR. RANDY TRUSLEY: That's only when
19 they pop up.

20 MR. BRUCE SHUPP: Thank you, Randy,
21 very much.

22 MR. RANDY TRUSLEY: Thank you-all.

23 MR. BRUCE SHUPP: Janet, storm
24 status?

25 MS. JANET HERRIN: It rained.

19

1 DR. KATE JACKSON: Actually, what
2 happened was Janet went to a board meeting in Muscle
3 Shoals and talked about the status of the system,
4 wherein she said, it's really, really dry, and I
5 think about 15 minutes after the board meeting
6 adjourned it started to rain and it did rain.

7 MS. JANET HERRIN: And it rained and
8 it rained and it rained. I would like to take just
9 a minute, I won't take a lot of David's time, but
10 just a minute to give you an update.

11 If you -- the way the sequence went
12 was week before last we had about 2 inches of rain,
13 and I will give you some exact statistics, and then
14 last week we had anywhere from 3 to 5 inches of
15 rain. So it was -- actually, if you will look, it
16 was two storms over a two-week period. And if you
17 look over that two-week period, we had about
18 5.8 inches of rain across the watershed.

19 In the last storm, the second storm
20 above Chattanooga, we had 3 and 1/2 inches of rain,
21 below Chattanooga we had 4 and 1/2 inches of rain,
22 high spots up to 8 and 1/2 inches, so that's quite a
23 bit of rain coming into the system.

24 If you look at the flow past
25 Chattanooga, two weeks ago we were seeing 11,600

20

1 CFS, which was 94th out of 100 years of record of
2 fairly dry for this time of the year. After the
3 storm, or during the storm, we saw 171,000 CFS pass
4 Chattanooga, that's the second largest flow past

5 Chattanooga on that day.

6 So the rain came. It did run off.

7 We were able to use the storage. We had a 1 million
8 acre feet of water that we stored in the tributary
9 projects, which is exactly what they are designed
10 for. If you think about, what does that translate
11 into, they gave me a fun fact, I thought this
12 interesting, that would be the equivalent of filling
13 Douglas from 940 to 994 twice, that's a lot of
14 water.

15 Navigation was closed below
16 Chickamauga. When the flow rate gets too high you
17 have to close navigation. It was closed last week.
18 We reopened Wednesday morning. Chattanooga saw high
19 water of 27 feet, flood stage is 30 feet, but you
20 start getting damages at 28 feet. So we were right
21 below the damage level.

22 If you look -- you hear us talk about
23 damages averted, at Chattanooga we averted 27
24 million dollars in damages, the system did. We also
25 saw 8 million dollars in damages averted at

1 Fayetteville. We did have some localized ag.
2 flooding at Savannah and Florence, about 5 feet
3 above the flood stage in those two areas.

4 If you look at the -- a couple of the
5 tributaries, I think it was interesting, they rose
6 fairly quickly. Just to give you an idea, Great
7 Falls rose 22 feet. Douglas rose 18. This is in
8 the course of a couple of days just after that
9 rainfall. Fontana, 14 feet.

10 We were -- we ended up spilling along
11 the main river. We are still spilling, but we're
12 going to be backing off now. We have moved the
13 water out. We were preparing for what we thought
14 would be a storm that was coming through today.
15 Last week when we were talking about that, they were
16 predicting an inch and a 1/2 to 4 inches of rain
17 Thursday and Friday. We're back to 2/10th's of an
18 inch in the forecast now. So that's just a real
19 quick snapshot of how the system worked. It worked,
20 I think, very well.

21 As expected, it provided the flood
22 storage that we need this time of the year. We were

23 also able to evacuate that water and prepare for the
24 next storm that we thought was coming right behind
25 it and may still be.

22

1 Thank you.

2 MR. BRUCE SHUPP: Thank you.

3 MR. AUSTIN CARROLL: I have got a
4 question for Janet.

5 MS. JANET HERRIN: Yeah.

6 MR. AUSTIN CARROLL: Let's say --
7 this may be too much off the wall and hard to
8 answer, but let's say at Douglas, if we had only
9 drawn that down half the level in the fall or late
10 summer than we normally do and left it at about half
11 of what we would have, how would that have been
12 affected by all of this rain?

13 MS. JANET HERRIN: Let's see.
14 Douglas rose 18 feet, if we hadn't brought it
15 down -- we're going to actually be sluicing some
16 water at Douglas, so I would say we would definitely

17 have been in the position where we would had to have
18 let a lot more water out of Douglas when we would
19 have wanted to hold on to it, have let the flood
20 waters pass down main river, and then release the
21 flows from Douglas.

22 So I think what you would have seen
23 is you would have seen us having to add some water
24 to the main river at a time we wouldn't have wanted
25 to. As it was, we could hold on to that water, let

23

1 the water pass through the main water, and then
2 release the water from the tributaries in a much
3 more defined way, just speculating.

4 MR. AUSTIN CARROLL: Yeah, I know
5 that's hard to answer, but, you know, we have spent
6 a lot of time on the Council talking about, well, is
7 it really necessary to drop the level of the lakes
8 to the point that TVA drops them to in late summer,
9 so I was curious if we did -- let's say there was
10 talk of maybe only dropping them half as much as we

11 were and what effect -- you know, this, I thought,
12 may be a good example, what effect would that have
13 had in TVA trying to control flooding with this kind
14 of rainfall.

15 MS. JANET HERRIN: David will be
16 talking about the reservoir operation study, that's
17 exactly the kind of things we're going to be looking
18 at. What are the flood risks? How do you quantify
19 that? What does it look like?

20 DR. STEPHEN SMITH: Quick question.

21 MS. JANET HERRIN: Yeah.

22 DR. STEPHEN SMITH: What is the
23 flood -- at what point does Douglas start to flood
24 and you have damage?

25 MS. JANET HERRIN: Gary, do you know

24

1 at what point Douglas you end up -- you're talking
2 about around the reservoir?

3 DR. STEPHEN SMITH: Yeah.

4 MS. JANET HERRIN: Do you know at

5 what point we would have damages around the
6 reservoir at Douglas? I don't know. We would
7 release -- I mean, you have got the dam there, you
8 would release the water through the --

9 DR. STEPHEN SMITH: I understand, but
10 I'm wondering how close you got because you guys
11 said you were spilling water at Douglas, is that
12 right?

13 MS. JANET HERRIN: We're sluicing
14 water. We're using the low level outlets. We're
15 letting the water out, yeah.

16 DR. STEPHEN SMITH: And so I was just
17 wondering how close you had gotten. I mean,
18 obviously you felt that there was an issue there.

19 MS. JANET HERRIN: We just wanted --
20 we wanted to regain the flood storage there. The
21 water came up -- in all the tributaries the water
22 came up, we wanted to regain that storage for future
23 storms. It was more a case of having the storage
24 available when it rains again than it was a concern
25 for flooding around the reservoir.

1 DR. STEPHEN SMITH: Okay.

2 DR. KATE JACKSON: So the issue is if
3 you can regain the flood storage space without
4 adding to the crest on the main stem, then you can
5 slowly release some of that water to regain flood
6 storage space in case you get another rainfall.

7 DR. STEPHEN SMITH: Well, I
8 understand that. I guess I was sort of following up
9 on Austin's point. If you modified the lake levels
10 at Douglas, just for case in point, and you used
11 this particular vent as an example of what is, you
12 know -- I mean, it does still rain, even though we
13 were questioning that over the last few years,
14 how -- I mean, if you hadn't released the water,
15 because you're saying you were concerned about
16 moving water into the main stem when you wanted to
17 hold the tributary, where were you getting relative
18 to the damage point on Douglas if you hadn't sluiced
19 the water given this particular event? I'm trying
20 to get a sense of how close you were in the danger
21 zone there on Douglas.

22 MR. BILL FORSYTH: The danger is

23 downstream.

24 MS. JANET HERRIN: Yeah. I was --

25 MR. BILL FORSYTH: It's not at

26

1 Douglas. The danger would be downstream by letting
2 the water -- by not being able to add --

3 MS. JANET HERRIN: By adding to the
4 crest.

5 DR. STEPHEN SMITH: If you didn't
6 release that water.

7 DR. KATE JACKSON: We were not in a
8 flood situation on Douglas reservoir, but there were
9 only 3 inches of rain up there. There were 8 inches
10 of rain down here. So it's the issue of trying to
11 predict where the storm will hit and how big it will
12 be. So, you know, we have those years of data which
13 guides us with respect to how much flood storage
14 space we try to maintain, and so it's not an issue
15 of a tactical get Douglas somewhere where you want
16 to be, it's that sort of long-term regaining the

17 flood storage space.

18 MS. JANET HERRIN: So that you
19 don't -- you can make -- you can decrease the
20 flooding downstream as much as you possibly can by
21 holding the water. If you had been forced to
22 release the water out of Douglas because it came up
23 and it had to go on downstream, you would have added
24 to the crest, as Kate said, on downstream.

25 DR. STEPHEN SMITH: So most of the

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1 rain then was not in the upper part of the area?

2 MS. JANET HERRIN: The high spots
3 were actually Great Falls in kind of a parallel --
4 Cumberland Plateau, kind of along that line.

5 DR. KATE JACKSON: And down here.

6 MS. JANET HERRIN: Yeah, you had an
7 area that kind of runs parallel to the upper end of
8 the watershed there that had the band of 8, 8 and
9 1/2 inches of rain.

10 MR. GREER TIDWELL: I have got a

11 question kind of following up on Kate. One of the
12 things I've been impressed with about Dave Nye's
13 leadership on the operation study is a focus on
14 making sure we're using the very best technology
15 available to us.

16 Can you speak to whether TVA had the
17 best information on the weather forecasting in terms
18 of detail and accuracy?

19 MS. JANET HERRIN: Absolutely. I
20 think we did. Yeah, we have contracts with two
21 weather forecasting companies outside TVA, and we
22 are working with both of them. I think we had
23 access to the very best information that was
24 available. It's just as you -- when you look at
25 that forecasting, there's a little bit of art it to.

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1 MR. DAVE WAHUS: Great deal of art.

2 MR. BRUCE SHUPP: I caught the end of
3 a TV spot this morning on debris management.
4 Somebody was complaining that TVA wasn't doing their

5 job. What's that about?

6 MS. JANET HERRIN: Well, we had dry
7 conditions for three years, and many of the trees
8 that have either fallen or been cut down and left in
9 the gulleys and everything, with this kind of high
10 water, it picked it up and moved it into the system.
11 You've got a lot of high flows and that debris is
12 washing downstream.

13 I think the concern was -- as I
14 understood it, the concern was for the safety of the
15 structures and the safety of the public. You have
16 got a lot of woody debris and what are you doing
17 about it. Immediately what we're doing about it is
18 it's going through the system. The flows are way,
19 way too high to be able to go out and begin to snag
20 any of that. I think as things calm down we will
21 take a look at what's out there and what we can
22 realistically get in, but there is a lot of debris.

23 When you've had that much dry time
24 and you haven't had any high water to carry it down,
25 it picks up a lot of the woody debris that folks

1 have, you know, chopped down and left lying around.

2 MR. BRUCE SHUPP: Is that different
3 from --

4 MS. JANET HERRIN: No.

5 MR. BRUCE SHUPP: So it's just that's
6 it's --

7 MS. JANET HERRIN: It's just that
8 it's been dry for --

9 MR. BRUCE SHUPP: -- exaggerated?

10 MS. JANET HERRIN: Right. It's been
11 dry so long that there's a lot out there that if
12 you'd had high water all along would have probably
13 been picked up and moved over time.

14 MR. BRUCE SHUPP: Okay. Any other
15 questions? Thank you.

16 MR. GREER TIDWELL: One more
17 question. The debris -- the debris raises an issue
18 about whether there were any instances of hazardous
19 chemicals being washed into the waterway during this
20 past flood.

21 MS. JANET HERRIN: I'm trying to
22 remember. The nights all kind of go together last

23 week. I believe it was Wednesday night we got word
24 above Great Falls that we had -- there was a
25 500-gallon propane tank that was heading that

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1 direction. There was also -- I think it ended up
2 being about a 1,000 gallon diesel tank.

3 The local emergency management
4 agencies, we worked very closely with them, and the
5 local sheriff's department were out there, they were
6 able to snag both of those tanks, pull them kind of
7 to shore, and then eventually pull them on out and
8 they didn't get away, but that's -- again, that's
9 another risk over time.

10 If you haven't seen the high water,
11 folks come in and they put things where they don't
12 need to be and all of a sudden you sometimes find
13 them in places they don't need to be, but that's the
14 only incident that I know of where we had the
15 propane and the diesel tanks.

16 MR. GREER TIDWELL: Yeah. Those were

17 both explosive, and, of course, with the diesel
18 you've got contamination.

19 MS. JANET HERRIN: Absolutely.
20 Neither one of them broke open. They didn't create
21 any --

22 MR. GREER TIDWELL: Great. And I
23 wanted to ask that because the shoreline management
24 issues that we've got to keep people aware, we've
25 got to stay off those stores.

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1 MS. JANET HERRIN: Right.

2 MR. BRUCE SHUPP: Thank you, Janet.

3 MS. JANET HERRIN: Thank you.

4 MR. BRUCE SHUPP: All right. The man
5 we're all waiting for, David Nye. What's going on
6 with the reservoir operation study, river operations
7 study?

8 MR. GREER TIDWELL: How dark are
9 those dark circles under his eyes?

10 MR. BRUCE SHUPP: Yeah.

11 MR. DAVID NYE: The dark circles are
12 doing fine. Let me first tell you that all of this
13 paper I carried up here I'm not going to go through.
14 I carried it up here in case you have got questions.
15 So we're prepared to cover a lot if you want to and
16 cover a small amount if that's more appropriate.

17 MR. GREER TIDWELL: David, I've got a
18 question to start off with, you know, when it was
19 just the millions of dollars and the numbers we
20 didn't care too much, but I would really like to see
21 the whole slide at once. Can we take a second and
22 shift the projector so we can see the whole thing at
23 once?

24 MR. DAVID NYE: There's only three
25 slides and they're all up in the middle. So we may

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1 not have an issue.

2 DR. KATE JACKSON: It's not a screen
3 issue. It's the fact that the projector doesn't
4 take the whole slide.

5 MR. GREER TIDWELL: Go ahead.

6 MR. DAVID NYE: You know, part of
7 this comes from the fact that I worked on TVA's
8 nuclear Y2K program. In the process of doing that,
9 I kind of hung on to the old technology because I
10 didn't know if my computer was going to fail. So I
11 just -- and I stayed there. I'm more comfortable
12 with that.

13 I wanted to, first of all, tell you
14 that the core team is doing a study and it has been
15 strengthened and maybe as well to introduce some
16 faces that you have seen around here and maybe are
17 wondering why they're here.

18 We added some bench strength, if you
19 will, four of the newer employees to TVA, to the
20 core team itself, and if they will stand up back
21 there I will introduce them to you. Catherine
22 Mackey on my right, Evan Cruise, Laura Duncan, and
23 Eddie Bender. They all work in RSO&E. They're all
24 fairly new. They're very energetic. I really enjoy
25 having them as part of the team. They keep my

1 energy up. They keep the team's energy up. They
2 keep us moving very quickly. Thank you.

3 I think having them on the team and
4 us being able to bring them here and let them see
5 you and see how this works is kind of important.
6 It's also an indication of the dedication that TVA
7 is putting towards the study and the investment that
8 TVA is willing to make because those people are a
9 good indication of the future of TVA, the people
10 that will take what's done from the study and make
11 sure it's fully implemented.

12 In addition to them, we've added an
13 assistant project manager, Joel Williams. Joel.
14 Joel came to us from the Guntersville watershed
15 team. He was the manager there. He worked for
16 Bridgette Ellis. Thanks, Joel.

17 Now to the piece I think you really
18 want to hear about. Tetractech was the company that
19 was doing the phase one work for us. That phase one
20 work is complete. They issued to us what we called
21 a project management plan. We still refer to it as
22 a draft, and we do that because we are continuing to

23 add to it and to change it as we find things that
24 need to be added to it or things that we maybe have
25 left out.

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1 They also gave us a draft public
2 input communication plan, which we are in the
3 process of implementing. Portions of that public
4 input and communication plan we are going ahead and
5 doing on our own because we have to prepare for the
6 public scoping meetings that are coming up very
7 shortly. They will start late March and run through
8 most of the month of April. In fact, I believe you
9 have at your places a schedule for those meetings.
10 That information is available on TVA's web site, as
11 well as that fact sheet that you have at your
12 locations.

13 We have not pinned down the actual
14 buildings that will be used or the hours of the day,
15 but I would encourage you to make sure that the
16 people that you represent, people you are in contact

17 with, have access to that information. Please make
18 them aware that it is on TVA's web site. As soon as
19 the physical location of those meetings are known
20 and are scheduled, that information will be put on
21 the web site as well, and you're more than welcome
22 to access it and use that information. So we are
23 going forward with those two products. We are using
24 them.

25 We are also headed out for requests

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1 for phase two of the job, which is the actual
2 writing of the EIS. Again, I believe we have a lot
3 of talented people in TVA, but we need some more
4 hands and legs to get this job done. So we have
5 gone out with a request for proposal for the phase
6 two, which is the actual drafting of the EIS, as
7 well as dealing with some of the technical issues
8 that we have to go do.

9 We, in fact, requested those
10 contractors that wanted to participate in that bid

11 process to come to a pre-bid meeting, and, in fact,
12 made it mandatory so that we could meet them, they
13 could meet us, and we knew they would ask us their
14 questions and we could clarify any issues they might
15 have.

16 I think there were probably 80 or 90
17 questions we received from those potential bidders.
18 We were able to answer all of those questions. Of
19 the group of about 35 that were invited, I think it
20 was roughly 15 companies that showed up.

21 From that I would expect in the
22 neighborhood of six to eight bids, which is
23 considerably less than we had originally been hoping
24 for. I think it's an indication of how tough the
25 task is and it's an indication of what kind of pain

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1 some of them feel with the short schedule that we're
2 trying to put together and to continue on working
3 with.

4 Flood risk analysis contract, that

5 has been awarded. We got together in Nashville with
6 a number of people that you provided us to look at
7 the product from Tetractech, as well as to talk
8 about the flood risk contract that we were putting
9 out. So we went through those two areas. I think
10 it was about an eight-hour day, and again, I really
11 appreciate the folks that came and worked with us
12 that day. It was a long day, a lot of work, a lot
13 of stuff was covered.

14 As a result of those -- that long
15 day, we were able to put that RFP out for the phase
16 two work and go forward with the flood risk
17 contract. We have awarded that contract. The
18 company is Michael Baker, Jr. And, in fact, there
19 are four phases to that work.

20 The first one is to develop an inflow
21 database. This deals with how much water comes into
22 the system. Another one is -- the second phase is
23 unregulated frequency curves, and these are
24 technical terms that I am not going to spend a lot
25 of time getting into. When we get into the public

1 review group, these are the kind of things they will
2 spend some time understanding a whole lot more.

3 And then establishing base case
4 conditions, and this is where we'll discover whether
5 or not we have either conservatism or we've been
6 overly aggressive at how we have put together our
7 policies and procedures for dealing with flood
8 risks.

9 The last phase, which starts in
10 November to December of this calendar year, is
11 looking at actual alternatives where we change the
12 policies, we change the operating procedures, and
13 see what happens with respect to flooding.

14 The next major area that we had
15 ongoing -- and again, I'm not going to go through
16 all of the stuff that we're doing. I kind of want
17 to hit the high points, hit the big issues that
18 could really push our schedule.

19 I talk about flood risks because
20 that's one that from a technical standpoint is such
21 a huge, huge effort that it could push our schedule,
22 but right now it is on schedule to meet that

23 November time frame that we had asked for.

24 Water quality modeling, that's one
25 that we're doing in-house, and again, this is one

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1 that I'm anxious to get our public review group in
2 to have them look at with us. We'll bring in some
3 off-site experts, as well as our own modeling
4 experts to look at how we're doing water quality
5 modeling.

6 The effort is to have 46 water bodies
7 all modeled and tied together so that we can see
8 what the changes in the system do to us from a water
9 quality standpoint.

10 We actually have -- when we started
11 this fiscal year, there were only 19 of them
12 remaining to be done. This is one of those efforts
13 that was started as a result of the G.A.O. report
14 that came out some time back. So there were only 19
15 that were left to be done, plus tying them all
16 together.

17 Four of them have been completed so
18 far this fiscal year, that leaves us with 15.
19 Again, this is an area where we don't have
20 sufficient resources in house to do all of the work.
21 If we were stretching the study out for another
22 year, we could do all of it in-house, but we can't.
23 So about half of what's remaining is
24 being contracted out through what we call staff
25 augmentation. Those people will work under our

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1 direction, but they are, in fact, modelers that do
2 this type of work for a living.
3 I think the next big area that I told
4 you could be an impact to us was an interagency
5 team. We were very anxious to get an interagency
6 team together because federal organizations that
7 have jurisdictions from a regulatory standpoint on
8 some of the things that we have to do may want long
9 review periods at the end of this, which could push
10 our schedule.

11 So we were anxious to get them
12 together, get them in a room with us and start the
13 dialogue so we would understand what impacts and
14 what resources they needed and how we might better
15 support them in order to support our overall
16 schedule requirements.

17 The interagency team has been
18 established. If you want to see a list of the
19 agencies I can provide that to you here, but I
20 believe there are 11 of them. They all came to the
21 first interagency meeting, which was held just
22 recently in Knoxville. In addition to those federal
23 agencies, there are seven state representatives from
24 the seven states that the Valley covers. We have
25 actually received representation from five of the

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1 seven states. We're still missing two, and we're
2 still working hard to get that representation in the
3 room.

4 What happens is the Governor of a

5 state is providing us with, more times than not, an
6 agency head from one of the agencies internal to the
7 state that represents all of those agencies, and
8 we're setting up communication where we can talk
9 back to all of the agencies in each of the states,
10 but we want one voice talking back to us so we can
11 have that good dialogue in a room together.

12 That happened -- we had our first
13 meeting on the 22nd of January. And, in fact, they
14 gave us what we call interagency scoping issues, and
15 I thought I might share just a few of those with
16 you.

17 One of the first ones that came out
18 was maintain pool levels at Kentucky and Wheeler for
19 wildfowl and shorebird management at Tennessee
20 National and Wheeler Wildlife Refuge, that came from
21 Fish and Wildlife Services.

22 Kind of in parallel with that, from
23 the Army Corps of Engineers we have got two, flow
24 changes and operating pool levels and their effects
25 on navigation, flood damage reduction, and water

1 quality, including the lower Ohio and Mississippi.
2 So a lot of our discussions have been about what's
3 the extent of the affected area. They very quickly
4 weighed in, you're going to have to worry about
5 changes in your system and what it does to the lower
6 Ohio and to the Mississippi. They also said changes
7 in permittable activities resulting from changes in
8 pool elevations.

9 We have had some discussions with
10 them trying to understand what that means, and the
11 indications are, they are authorized with their dams
12 for flood risks and for navigation, and in order to
13 change that, they have to go back to Congress and be
14 told what they can and can't do. They are not
15 willing to change Barkley. Barkley is
16 interconnected with Kentucky, which says we're going
17 to have some restrictions there that we're going to
18 have to deal with.

19 Another one was to prioritize the
20 reservoir system benefits to determine how the water
21 should be spent, that came from the State of
22 Mississippi.

23 Another one was to look at the
24 cumulative impacts on economic development and
25 investments to date, including industrial

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1 development, job creation, infrastructure
2 development, and that one was explained a little
3 bit, make sure the changes you're making are not
4 going to affect what's already been spent along the
5 system.

6 And another one that I really found
7 interesting and was hoping we wouldn't get to, but I
8 kind of knew we'd have to, was interbasin transfer
9 projections, that came from the State of Alabama.
10 Tennessee very quickly weighed in on that as well
11 letting us know that they are looking forward to
12 using TVA's data and using what the study creates in
13 order to determine what they are going to allow with
14 respect to consumptive water issues from the system.

15 I use the word consumptive because
16 it's a little different than the assimilative

17 capacity. A lot may think they are exactly the
18 same, but the consumptive is we're going to pull it
19 out and it's never coming back.

20 The other issues, there were three of
21 them they brought up, they were interesting. They
22 thought a vision is needed to manage valuable water
23 resources long-term. Effective public education and
24 public outreach efforts may require more time than
25 the two years we have to complete the study, and the

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1 public needs to understand that TVA's reservoir
2 operations affect everyone and the tradeoffs
3 associated with possible changes in the operating
4 policies. So I think it was a pretty good
5 indication using the interagency team of what we can
6 expect to hear from the public when we get into
7 public scoping meetings.

8 The public review group, the last
9 meeting there were recommendations made for the IRM
10 subcommittee to send to me, recommendations for

11 participation on that, I have those. We have been
12 through those and reviewed them, and I am now
13 working through an executive review process in order
14 to put that public review group into place. I
15 anticipate the first meeting to be early, the 12th
16 of February, and that will be to look at the phase
17 two RFP work and make an award on that contract.

18 The last thing I want to talk about
19 is public scoping meetings. Again, you have got the
20 schedule. You have got the fact sheet. They have
21 laid out a draft on what the public scoping meetings
22 will look like. I'm not prepared to share that part
23 with you yet because it's still a draft. They need
24 to complete the work on that where we will
25 understand exactly how those meetings will be run,

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1 but I do invite you to please make sure that the
2 people that you represent, the stakeholders that you
3 represent, come to those meetings.

4 It's important for us to not just

5 have scoping from internal TVA and not just scoping
6 from an interagency team but to get the scoping from
7 the public. What do they want the study to cover?
8 What are their objectives? What are their issues?
9 What are their alternatives?

10 We have alternatives being suggested
11 in small pieces and parts from various places. The
12 public quite often are going to have people out
13 there with ideas that we haven't thought about, and
14 that's important for us to get from them. So I
15 encourage you to encourage them to come to the
16 meetings, and I encourage you to be at those
17 meetings as well. That's what I need from you,
18 that's the part I'd really like to have you take
19 away from this today.

20 With that I will open it to
21 questions.

22 DR. STEPHEN SMITH: David, this may
23 be a small point, but just a point of feedback, and
24 I don't know if these are etched in stone, but I see
25 that you have Chattanooga and Knoxville happening

1 the same day, April 9th, and I guess there will be
2 other opportunities for people to travel, but one of
3 the things is that if that day is actually bad for
4 somebody, you know, having those dates separated
5 may -- I'm just thinking about folks -- as an
6 example, folks in East Tennessee who wanted to
7 attend, and I guess there is a meeting in Norris,
8 Tennessee later, but, you know, I don't know the
9 logic behind having Knoxville and Chattanooga on the
10 exact same day.

11 MR. DAVID NYE: I can't speak to the
12 exact logic of Chattanooga and Knoxville on the same
13 day. I can tell you that when they laid those out
14 they looked at general areas and tried to make sure
15 there were opportunities different than just a
16 single day that were within traveling distance that
17 people could get to in case they had conflicts on
18 that given day. There was a concerted effort to do
19 that.

20 Any other questions?

21 MR. AUSTIN CARROLL: What time of day
22 are you going to try to do these meetings?

23 MR. DAVID NYE: Most of the meetings
24 during the week are evening meetings. Those on
25 Saturdays, I believe we talked as early as 9:00 in

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1 the morning, and depending upon how large a group it
2 is, we may even double those sessions and run them
3 quite late into the afternoon and evening to make
4 sure we get -- we hear from everybody that shows up.

5 We want to make sure that the door
6 stays open to where everybody that comes has an
7 opportunity to make sure their comments are logged
8 in, that we have them, and we can carry them
9 forward.

10 MR. AUSTIN CARROLL: Back to what you
11 said there while ago on some of the input you were
12 getting, explain that concern about consumptive use
13 there one more time, who that was.

14 MR. DAVID NYE: The consumptive use
15 was from Tom Littlepage, State of Alabama.
16 Mississippi weighed in on that one as well. So did

17 the State of Tennessee.

18 MR. AUSTIN CARROLL: That means
19 again --

20 DR. KATE JACKSON: A good example of
21 that is combustion turbine where you take water out
22 of the system and you use it for evaporative cooling
23 essentially and the water -- about 80 percent of the
24 water goes on up in steam and so you don't return
25 that water. It's not sort of a cooling loop where

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1 you take water in and it comes back out but it's a
2 little warmer. In this case it never makes it back
3 to the basin. It's similar, in fact, to an
4 interbasin transfer because the water's just gone.

5 MR. DAVID NYE: The concern is when
6 you're sitting in times like we've had for the last
7 three years and you're working from minimal flows
8 during certain parts of the year and you have
9 additional consumptive water issues going on where
10 more and more water is being brought from the

11 system, you're pulling from that minimum flow,
12 which, in essence, is going to decrease water
13 quality.

14 That's where the State of Tennessee
15 was weighing in. And again, Alabama and Mississippi
16 were weighing in for a need for that water.

17 MR. AUSTIN CARROLL: And as our
18 population becomes greater, I think we're going to
19 see more concerns about that similar to what you
20 have seen for many years in the west over water
21 rights, you know, taking out of streams and that
22 kind of thing.

23 MR. DAVID NYE: And because we have
24 stated that the study covers a 30-year planning
25 period, they are looking for us to address the

1 cumulative effects of that looking out 30 years from
2 now. We will have a difficult time doing that
3 because projections about past five really change
4 significantly, but they are clearly asking us to

5 look at that 30-year planning horizon and how much
6 water will be pulled from the system based on growth
7 and other issues.

8 MR. AUSTIN CARROLL: I think it's
9 good that that came out because I don't think we
10 talked about that too much in Council, but it is
11 something that as time goes on is going to be more
12 of a concern, I think.

13 DR. STEPHEN SMITH: David, I'm sorry,
14 I must have spaced this out, but can you revisit the
15 public review group again? Where does that stand
16 and exactly how is that --

17 MR. DAVID NYE: Right now it has to
18 go up through the executive committee and work our
19 way through getting their review and concurrence
20 with the process we have put in place.

21 DR. STEPHEN SMITH: You have how many
22 people that you're recommending?

23 MR. DAVID NYE: I'm actually
24 recommending 13 people, 13 different areas to be
25 represented. I know we started off with eight here.

1 I think when we had the meeting here we talked about
2 the fact that we may want to look at additional
3 positions being added to that in order to make sure
4 we covered all of the issues, and in doing that, I
5 have asked for an additional five.

6 DR. STEPHEN SMITH: And do you have
7 those names or are you --

8 MR. DAVID NYE: I'm not in a position
9 to release those yet until I get through with the
10 executive review. I expect that to be done --

11 MS. JANET HERRIN: I was fixing to
12 say, I think that will happen very soon.

13 MR. DAVID NYE: Again, looking at --
14 I would like to have the first meeting of that group
15 on or about the 12th of February, I need to get on
16 with that quickly.

17 Other questions?

18 I am here all day. I would be more
19 than happy, during breaks or whatever, to discuss
20 and answer any questions you have.

21 MR. BRUCE SHUPP: Thank you, David.
22 Thank you very much. When TVA set this two-year

23 timetable for this study, it sure appeared that was
24 an almost impossible dream, and to hear that it's on
25 schedule right now is very impressive, David. I

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1 think you picked the right guy for the job. It's
2 very impressive.

3 MR. DAVID NYE: We have a long ways
4 to go, Bruce.

5 MR. BRUCE SHUPP: Thank you. We're
6 going to move right along with the agenda. Kate, as
7 you can see, is out for a conference call. We're
8 going to move Jimmy Barnett up next to give a
9 recommendation from the water quality subcommittee
10 on water use management.

11 Jimmy?

12 MR. JIMMY BARNETT: Thank you,
13 Mr. Chairman. As David was speaking and we were
14 talking about the interbasin transfers, the water
15 quality subcommittee is very concerned about water
16 use management, which includes those kinds of

17 things.

18 We had quite a discussion. There
19 quite a discussion on this particular draft with the
20 very diverse subcommittee that I have. It was
21 interesting to see the comments go back and forth
22 over the Internet.

23 I'm not going to read the background
24 nor the issue I think. It's fairly plain. We're
25 talking about water use management, the fact that

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1 it's becoming a real important topic all around the
2 country and all across the world. Most of the water
3 is in the Antarctica, I just read in the National
4 Geographic last night, and we should go down there
5 and get some. Greer, if you want to go down there,
6 go right ahead.

7 MR. GREER TIDWELL: Lasso it and pull
8 it back.

9 MR. JIMMY BARNETT: I read a science
10 fiction book about that, but that's beside the

11 point. The issue is water usage in the Tennessee
12 River Basin and the quality of the water and the
13 impact on that usage, whether it's consumptive usage
14 by the turbines or by Atlanta or by other industries
15 or communities along the river.

16 Of course, I want plenty of water to
17 come out so I can give my people good drinking
18 water, but that's also a consumptive use in some
19 cases. Of course, we put water back into the river
20 through the waste water process and treatment
21 plants, which is very tightly regulated.

22 The background and issues are listed
23 here. On the second page we have the case for TVA
24 leadership, and we feel that TVA's in a unique
25 position to play a critical leadership role in

1 planning for the water quality management of the
2 Tennessee Basin for tomorrow. TVA has the history,
3 the expertise, the capacity, and the responsibility
4 to lead in this area. In so doing, TVA cannot only

5 chart a steady course for the Tennessee Basin but
6 also provide a model for sound water use management
7 in the Eastern United States, and we think probably
8 the world.

9 Inherent in the Tennessee Valley
10 Authority Act is the charge to manage the Tennessee
11 Basin in a balanced manner to provide for uses such
12 as navigation, hydropower, industrial and
13 agricultural development, and conservation. As
14 public opinion has increasingly become more
15 concerned with conservation, and the environment,
16 stewardship of natural resources has increasingly
17 become a strong part of TVA's mission and programs.

18 Today, TVA's mission reads as
19 follows: TVA achieves excellent and public service
20 for the good of the people of the Tennessee Valley
21 by supporting sustainable economic development,
22 supplying affordable, reliable power, and managing a
23 thriving river system, which is part of the study
24 that David is doing.

25 Investment in water use planning,

1 management, and stewardship could be key strategies
2 as TVA engages this mission as read above.

3 So we have some recommendations, and
4 there's three of them. We think that the three
5 areas that we would like to make the recommendations
6 in are planning, research, and in management and
7 stewardship.

8 Under planning, since there are so
9 many diverse groups that are involved in the basin,
10 we feel that TVA should take a leadership role in
11 water management and regulatory issues in the
12 Tennessee Basin by convening a basin wide
13 partnership to provide for coordinated planning
14 between the states, the federal agencies, public and
15 private water users, stakeholders, and all
16 interested parties. Such a partnership should
17 develop long-term objectives and strategies for
18 managing the quantity of the -- yeah, the quantity
19 of the water that is maintained, held, withdrawn or
20 diverted from streams, rivers, and reservoirs, in
21 the Tennessee Basin. Such strategies should seek to
22 meet societal and national -- natural resource needs

23 in a balanced manner and should integrate planning
24 for use of both surface water and ground water
25 resources.

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1 As you can think -- can imagine, that
2 is one heck of a bite, but it's all there and it's
3 all something that needs to be taken a look at. I
4 think the plan that TVA's working on now is a good
5 part of this.

6 No. 2, research, we think that TVA
7 should initiate and coordinate research into the
8 extent of future stresses and demands on the
9 Tennessee River Basin water supplies.

10 Under 3, management and stewardship,
11 we think that TVA should continue to make judicious
12 use of its authority to manage the waters of the
13 Tennessee Basin to provide for water supply,
14 hydropower, navigation, and irrigation while
15 providing for the stewardship of fisheries,
16 biodiversity, water quality, and natural resources.

17 Now, we didn't say TVA did
18 everything. We said convene these things and we
19 said initiate them and we said take a leadership
20 role in them, and this is -- and use every available
21 means to do whatever it takes to do a good job.

22 So that is basically the case that
23 we're trying to bring to you. And if anyone on my
24 subcommittee has a comment at this point in time
25 before our discussion for everybody to be thinking

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1 about, feel free to make it.

2 Stephen, do you have anything?

3 DR. STEPHEN SMITH: No.

4 MR. JIMMY BARNETT: Paul, any
5 comments at this point?

6 Axel, do you have anything?

7 MR. AXEL RINGE: I think you have
8 expressed it eloquently.

9 MR. JIMMY BARNETT: I wasn't looking
10 for compliments, just comments. Thank you, Axel.

11 Mr. Chairman, that's our recommendation.

12 MR. BRUCE SHUPP: Thank you, Jimmy.

13 As a member of that subcommittee, I just want to
14 restate something that I think is important that
15 Jimmy said, this is the same subcommittee that in
16 the aquatic plant management recommendation called
17 for leadership and responsibility from TVA. It's
18 about the same concept here. Leadership and
19 responsibility to tackle these areas, not
20 necessarily to do everything, but to take the lead
21 with the expertise that exists, the stewardship
22 responsibility that exists, and work with the
23 excellent state agencies and other federal agencies
24 to tackle these problems, and that's essentially
25 what it is.

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1 We're going now to a question and
2 clarification session. Remember, we do the
3 discussion and then vote on these recommendations
4 this afternoon, but we're now open to questions and

5 clarifications for Jimmy.

6 MILES?

7 MS. MILES MENNELL: Jimmy, committee,
8 I think this is a great recommendation. I have just
9 one comment under the planning part of it. You talk
10 about creating or convening a basin-wide partnership
11 to provide for coordinated planning, I think that
12 there needs to be an education component included in
13 that so that we're being sure that stakeholders
14 understand the enormity of this problem and the
15 potential conflicts.

16 I don't know how you put that in or
17 if you consider that as already being implicitly
18 referred to in that first one, but I think the
19 education component for local governments, for
20 stakeholders, in general, is very important to
21 understanding the importance of this issue and that
22 we have got to be proactive in dealing with it.

23 MR. JIMMY BARNETT: As I mentioned
24 last night at our dinner, I think there needs to be
25 more education of the general public about the way

1 that TVA manages the river and why it does it like
2 that all across the Valley, and I challenged Kate
3 last night about that.

4 I agree thoroughly that if people
5 don't know what's going on, they are going to be
6 suspicious, hey, what's in it for me or what's going
7 to hurt me about it. If they don't know about it,
8 they won't care about it. So I'm in perfect
9 agreement that there needs to be some education.

10 I have been, I think, fairly well --
11 Kate didn't like the word indoctrinated, Janet, last
12 night, educated about the way TVA runs the river,
13 which I never knew and never really had a reason to
14 want to know until I found out that I really needed
15 to know. So I value this opportunity.

16 That is a real good point because my
17 folks around home, as much as I have talked about it
18 around there, we even had a meeting there, they
19 still don't know about it. We didn't have very much
20 of the representation of the whole area when we had
21 our public meeting down there, Roger.

22 So those people sat there and they

23 learned a lot from what they heard, but that's not
24 by far the balance of the people. If you look at
25 the 8,000,000 people that are customers of TVA, the

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1 other distributors and themselves, they don't know.

2 How many people back at your place
3 know what we know here? I would say nobody unless
4 they're a TVA employee, and, you know, we're 20
5 people. So that's a good point. I appreciate that
6 comment.

7 MR. BRUCE SHUPP: Other questions?

8 Well done, Mr. Barnett. Thank you very much.

9 MR. JIMMY BARNETT: Thank you.

10 MR. BRUCE SHUPP: We're so far ahead
11 of schedule, I think we will move right on to Austin
12 Carroll. Austin, are you prepared to go now?

13 MR. AUSTIN CARROLL: Yes, sir.

14 MR. BRUCE SHUPP: Good.

15 Recommendations on appropriations for the funding of
16 TVA non-power programs.

17 MR. AUSTIN CARROLL: This comes
18 forward, Mr. Chairman, from the legislative work
19 action group, which was put together not as a
20 subcommittee, but I think Council recognized early
21 on that legislative issues and a liaison with
22 Congressional leaders was an important role for the
23 Council.

24 So there was a legislative group --
25 working group put together, and I want to thank the

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1 people that have worked on that group with me. And
2 that's Miles Mennell, Elaine Patterson, Bruce Shupp,
3 and Dr. Stephen Smith.

4 We have, you know, wrestled with some
5 different issues as we progressed over the last
6 couple of years, and there's been some legislation
7 in Congress which would have been detrimental to TVA
8 and detrimental to having any funds available for
9 resource stewardship and we have gotten activated on
10 some of those issues.

11 Just having returned from Washington,
12 along with Lee Baker and Karl Dudley on a flying
13 up -- fly in up there to meet with Congressional
14 leaders on behalf of the Tennessee Valley Public
15 Power Association, I will mention a couple of
16 things.

17 Deregulation, it seems, in the
18 Senate, the Energy Bill doesn't appear to be going
19 anywhere, and so there's -- we don't look for, you
20 know, any changes at least from the Senate end. You
21 don't -- you never say never, particularly when
22 you're talking about Congress.

23 And then over on the House side there
24 is a deregulation type bill over there that's in a
25 subcommittee headed up by Congressman Barton, and he

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1 intends to move it out of subcommittee and he may
2 just do that just to say he's got something moved
3 out of the subcommittee after about three years of
4 working on this, but that doesn't appear to have a

5 lot of life either.

6 So I wouldn't be overly concerned
7 that there's going to be, you know, major changes as
8 Congress, and we -- you know, there have been a
9 couple of single shot bills out there just aimed at
10 TVA in the last few years by Senator McConnell or
11 Bunning and McConnell.

12 I talked to Senator Bunning and he
13 had a different direction this time when we asked
14 him about the future of deregulation. Of course, he
15 knew we were representing the Tennessee Valley. He
16 indicated that perhaps it's best left to the states.
17 And so, you know, that kind of signalled that he
18 wasn't taken as active a role as he has been taking.
19 And he's not on the Senate Energy Committee any
20 longer, so that may have been part of it, too. So
21 anyway it doesn't look like there's going to be a
22 lot come out of this Congress, which could
23 jeopardize funding for resource programs.

24 On the other hand, one of the things
25 that we did bring up as we went around and visited

1 was the fact that we would look forward to the
2 return of appropriations funding, you know, from
3 Congress. However, we didn't have a lot of takers
4 on that that wanted to jump on that. Timing, I
5 guess, still doesn't appear to be right as far as
6 getting appropriations back for the time being.

7 So we, as a committee, had looked at
8 appropriations funding. We did a -- we presented at
9 the last meeting in October a little briefing paper
10 for the benefit of the Council to look back at the
11 history of Congressional corporations for resource
12 stewardship programs and presented that the last
13 time, and based on this and based on the discussions
14 that we had at that meeting we're coming forward
15 today with a draft of a recommendation concerning
16 appropriations, which says, the favorable and fair
17 treatment of TVA in the federal legislative process
18 is of highest importance to the Council members and
19 all of its stakeholder communities. In all other
20 regions of the country, stewardship of federal
21 properties and assets are funded through the federal
22 appropriations process. The citizens of the

23 Tennessee Valley should not be unduly disadvantaged
24 by the withholding of federal support for management
25 of the Tennessee River Basin. TVA's challenge for

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1 meeting resource management obligations will be
2 increasingly difficult to meet with the competing
3 demand to keep electricity rates as low as possible.

4 The Council recommends the
5 reinstatement of TVA's federal appropriations in
6 support of traditional and essential natural
7 resource stewardship programs and the operation and
8 maintenance of federal infrastructures such as dams
9 and locks. This recommendation is made to the TVA
10 Board with the recognition that no -- that to
11 reinstate appropriations at this time might
12 politically disadvantage the Caucus in -- that's
13 talking about the Tennessee Valley Congressional
14 Caucus -- in energy policy legislation.

15 As it is outside the Council's
16 Charter to make recommendations directly to

17 Congress, the Council recommends that as soon as the
18 timing is appropriate, the TVA Board request from
19 Congress the reinstatement of federal appropriations
20 at optimal, historic levels. In making this
21 recommendation, the Council members recognize their
22 roles as TVA stakeholders, outside the boundaries of
23 the Council work and will, as individuals, also make
24 the request for reinstatement of appropriations
25 directly to Congress.

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1 So if the Council passes this, and I
2 think, you know, it implies more of an obligation
3 going forward on us, as individuals, and in our
4 capacities for people that we represent to engage to
5 try to support the return of those appropriations
6 when the time is right.

7 MR. BRUCE SHUPP: Questions? Roger.

8 SENATOR ROGER BEDFORD: Thank you,
9 Mr. Chairman. Austin, could you elaborate a little
10 bit on your thoughts on what might be the political

11 disadvantages to the Valley's Caucus in the Energy
12 Policy Legislation area?

13 MR. AUSTIN CARROLL: We talked about
14 that some last time at the Council meeting, Roger.
15 We were concerned that Congress had enough on its
16 plate -- the Valley Congressional Delegation had
17 enough on its plate trying to insert any
18 deregulation language about TVA and TVA distributor
19 consensus titles, which was also agreed to by the
20 Tennessee Valley Industrial Council, and feeling
21 that that was the thing that we needed most and that
22 to insert any other request at this time might be,
23 you know, asking for too many things at one time and
24 it might just raise the eyes of the enemies of TVA
25 around other parts of the country. We still don't

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1 have a lot of friends in Congress outside the
2 Tennessee Valley.

3 SENATOR ROGER BEDFORD: Austin, I
4 was -- just for the Council's consideration, I know

5 we're voting on this now, but I think that gives too
6 easy a way out. I mean, I think it's also a
7 trade-off just to look at the power side and not the
8 stewardship side. And so I just raise that for the
9 Council's to think about maybe deleting the end of
10 that or perhaps softening the wording of it.

11 Thank you.

12 MR. AUSTIN CARROLL: Certainly, I
13 would welcome any comments, you know, on behalf of
14 Council members that could strengthen it without
15 jeopardizing it.

16 SENATOR ROGER BEDFORD: I think
17 overall it's very well done. That's the only area
18 that caught my attention.

19 MR. BRUCE SHUPP: Stephen?

20 DR. STEPHEN SMITH: I -- you know,
21 having participated in this process and been one of
22 the folks that think that we -- TVA is continuously
23 underestimating what it should be doing up there as
24 far as pushing the agenda, something very
25 significantly has -- significant has happened since

1 this was written, which is the collapse of Enron.

2 The collapse of Enron affects this, I
3 think, in a couple of different ways because Enron
4 was not only one of the chief advocates for
5 deregulation, both with the way it was spreading
6 money across Washington to move the ball and just
7 the connections that it had, but then it also has
8 been what I consider another of the significant hits
9 that the concept of electric utility deregulation
10 has taken over the last 12 to 18 months with the
11 California situation and now the collapse of Enron,
12 my sense is, and I would sort of build on what Roger
13 is saying, that we might be underestimating the
14 moment now and that while I understand the
15 heightened sensitivity of the distributors and the
16 industrial customers to -- you know, their position
17 on the energy side, I think it is -- it is, again,
18 a -- maybe even an overstatement of the concern
19 about deregulation, that may be a bogeyman that is
20 rapidly evaporating, and I would support possibly
21 contemplating rewording that language not to give
22 them such a big out and maybe even a stronger way to

23 challenge the Board to figure this out politically
24 because I think -- I think there is an opportunity
25 to do more.

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1 And the other thing that's big on the
2 horizon that I think we should all be aware of is
3 the midterm elections because you may see some
4 shifts politically that may cause some difference,
5 and I think TVA should be poised and primed to jump
6 on that opportunity personally.

7 MR. BRUCE SHUPP: Julie?

8 MS. JULIE HARDIN: Austin, I'm
9 wondering if we should not include in your draft
10 recommendation, which is superb as it is, but the
11 new leadership and new membership of Baxter and
12 Glenn McCollough's leadership, I mean, we are on a
13 new path at TVA, I really do believe, and I believe
14 that it's a very much more positive path.

15 MR. BRUCE SHUPP: I have a question
16 for, I guess, the TVA staff and a thought for

17 Council, if we ask the Board to go forward with
18 requests for appropriations, shouldn't those
19 appropriations be specific to what we believe the --
20 are justified federal expenses for the stewardship
21 programs, and if so, how difficult is it to define
22 that, and I think you could define those by
23 comparing some of the stewardship TVA does with the
24 Corps of Engineers, for example, and could we get
25 into some of that and come up with a real good

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1 justification for saying, hey, in other river
2 systems in America this is paid for by the citizens
3 through appropriations, why not here, how difficult
4 is that?

5 MS. JANET HERRIN: In terms of going
6 back and looking at what we have spent and putting
7 it in similar budget categories, although, the
8 process -- the appropriation process didn't require
9 us to do that, we did book it that way. I think we
10 could -- we could do that. I guess my concern is

11 Skila, I think, was very clear when she was here
12 about her reluctance to -- that the timing wasn't
13 right and not interested really in pursuing that.

14 SENATOR ROGER BEDFORD: Janet, if I
15 may, Mr. Chairman, if I could follow up, I took
16 Bruce's questions a little bit more of, can we
17 document an example, say, out west or in the
18 northeast where the Federal Government does make
19 some type of appropriation that does do a function
20 that TVA's ratepayers are having to pay for here and
21 use that as an example.

22 MS. JANET HERRIN: You have got the
23 Bureau of Reclamation out west and you've got the
24 Corps of Engineers nationwide.

25 MR. BRUCE SHUPP: Do you have a gut

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1 feeling for how those very definable programs would
2 compare to the 50 or 70,000,000 or \$106,000,000 old
3 appropriations. I mean, just are we in the ballpark
4 there?

5 MS. JANET HERRIN: I think that over
6 time -- yeah, I think we're in the ballpark. I
7 think we're in the ballpark. I think there will be
8 areas you'll see that TVA might be spending a little
9 bit less. There might be areas where we might be
10 spending a little bit more.

11 MR. BRUCE SHUPP: And, of course,
12 Land Between the Lakes is gone from that, too.

13 MS. JANET HERRIN: Right.

14 MR. BRUCE SHUPP: Any other questions
15 or comments?

16 Greer?

17 MR. GREER TIDWELL: I want to follow
18 up on what Senator Bedford said; and that is, to
19 approach those comparisons with an eye toward making
20 a distinction about why the authority is the right
21 group, right agency to do that in this valley.
22 Otherwise, the obvious response for Government
23 efficiency is let BLM and Corps of Engineers and
24 park service do those functions, here's the land.

25 I'd like to explore that a little bit

1 if we're going to push down that road toward saying
2 we need to reinstate federal appropriations and
3 we're going to use examples of other places where
4 federal taxpayers are paying for those.

5 How do we distinguish what the
6 authority in this Valley does so well from how much
7 the Corps would screw it up if they had it, for
8 example?

9 MR. BRUCE SHUPP: That's a rhetorical
10 question, of course.

11 Austin?

12 MR. AUSTIN CARROLL: You know, it is
13 good that we're talking about this now when I guess
14 the 2003 budget process for federal dollars is
15 starting, and it's like Stephen said, this --
16 actually this was drafted up before -- I mean, we
17 have just known the effects of Enron within the last
18 few days and in the last week, and that's making a
19 big difference in energy legislation. It's become
20 politically a hot potato that folks are --
21 Congressional folks are reluctant to touch, and it's
22 kind of -- it was getting a little bit of momentum,

23 and I think the Enron thing has sort of kicked it in
24 the teeth.

25 So, you know, it does, I think, leave

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1 the door open since, you know, there's nothing else
2 on the table now, you know, maybe leaves the door
3 open to do something that like. It may be more
4 appropriate for the Board to ask for those
5 appropriations now than it has been, particularly
6 with some folks now thinking that maybe deregulation
7 should be left to the states.

8 DR. STEPHEN SMITH: The best defense
9 is a good offense.

10 MR. BRUCE SHUPP: I don't think the
11 Council should try to get into a shoving match
12 though with the Board. If the Board doesn't feel
13 comfortable with doing that, I don't think we should
14 try to push them toward that, but I think we should
15 continuously reinforce our belief that the people of
16 the Tennessee Valley through TVA are entitled to

17 those appropriations.

18 DR. STEPHEN SMITH: Right.

19 MR. BRUCE SHUPP: I think those of
20 you that missed last night's dinner, we did a little
21 reflecting on our experiences, and what was obvious
22 through statements made by Council members is that
23 they have gained a lot of respect for TVA. They're
24 very impressed with the achievements they have made
25 in river management and their ability to manage that

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1 river.

2 And I think as maybe Jimmy mentioned
3 earlier, to have education programs to tell the
4 public what TVA does, not a PR program but an
5 education program to let them know how important TVA
6 is to the Valley and how well it does its job.
7 That's something that will help get the Congress
8 attitude change that may make them a lot less
9 willing to beat on TVA and take away appropriations
10 rather than give them some.

11 I think it's a long-term program and
12 I don't think -- again, we should be supportive as a
13 Council, not pushing the Board in an uncomfortable
14 way, but certainly it's justified. I think we all
15 believe appropriations are justified.

16 MS. ELAINE PATTERSON: As a member of
17 the subcommittee, I would like to make a few changes
18 based on this discussion. I think we're gently
19 encouraging the Board, first of all, in the last
20 paragraph, as soon as timing is appropriate. So
21 we're not telling them to do this but we're
22 encouraging them given all the dynamics. So I think
23 we're saying that.

24 Then in light of the energy policy
25 shift, because of Enron and deregulation, maybe if

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1 we go up to the second paragraph and just remove
2 that last sentence, this recommendation is made to
3 the TVA Board but with the recognition that it
4 reinstate appropriations at a time that might be

5 politically disadvantaged, you know, I think that's
6 moot at this point, so if we could just take energy
7 discussion out of there. The Board is obviously --
8 I think we're encouraging to move when it's
9 appropriate and they understand the dynamics.

10 MR. BRUCE SHUPP: That's a good
11 point. That's our discussions for this afternoon
12 when we get into actual changing but voting these,
13 but it's a good point. I don't want to get into
14 that now or we will be duplicating our effort.

15 Any more questions or comments?

16 All right. What we would like to do
17 now, we will take a break until 10:00 a.m. promptly
18 and come back with Kate Jackson. Thank you.

19 MR. DAVE WAHUS: If you have not had
20 the time to check out from the hotel this would be a
21 good time to do that. Checkout time is no later
22 than noon, unless you're going to stay again for a
23 second night.

24 (Brief recess.)

25 MR. BRUCE SHUPP: Take your seats,

1 please. Okay. We're moving along the agenda, and
2 we're, as you know, running well ahead. Kate will
3 be on now to talk about feedback and the
4 recommendations and also about the Council's future,
5 and when she's finished, we can sit down at lunch as
6 early as 11:00.

7 The problem is that we have our
8 public comment period scheduled from 1:00 to 2:00
9 and we can't deviate from that because people may be
10 traveling to that. So as we get ready to break
11 here, we may need to make a few decisions about
12 whether you want to move deliberations on the
13 recommendations up ahead of the public comments and
14 then reconsider if there's something that will
15 change our mind or reevaluate it if --

16 MR. DAVE WAHUS: Legally we can do
17 that.

18 MR. BRUCE SHUPP: Very good. So
19 let's move on with Kate, and your questions with
20 Kate, and lunch, and then we will go from there.

21 Kate?

22 DR. KATE JACKSON: Thank you. First

23 of all, I wanted to get into the record what I said
24 last night with respect to how much TVA appreciates
25 the work of the Council. I know we keep saying

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1 that. The Board has signed a Board action to renew
2 the Council, and we will begin the process in the
3 next day or so of asking the Governors of the seven
4 states to either nominate or renominate their
5 nominees for the next Council.

6 And for all of those of you who are
7 not appointed by the governors, we hope that you
8 will decide to stay on with us. We want all of you
9 to stay on. Though, if any of you decide not to, we
10 will look for alternative appointments, and again,
11 we're looking for balance making sure we have a
12 broad representation of issues, et cetera, and we
13 hope that the meeting -- the next meeting will be in
14 the Spring, although, you will remember how long it
15 took the last time to get all the appointments
16 together and actually make the appointments. So

17 we're asking the Governors to respond to us by the
18 first of March, and we hope that we can move forward
19 expeditiously.

20 The Board's response of record from
21 the August recommendations, which Skila interacted
22 with you on in October, are in front of you. We
23 believe that they represent and respond to the
24 discussions that we had at that October meeting.

25 If, after you have read them, you

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1 have any questions or issues, you know, please make
2 sure that you let us know that. We think that we've
3 adequately represented all of those issues but make
4 sure that we have.

5 We have obviously received the
6 recommendations that you gave to us in October, and
7 we have reviewed them and I am ready to discuss
8 them. All the Board members were unable to attend
9 today and they send their regrets. And particularly
10 Skila, who has established such a good relationship

11 with you, is really sorry that she can't be here.
12 And I just spoke with her on the phone, and she said
13 to say, hello, and she hopes that I can be her, and
14 I'm sure I can't be but I will do my very best.

15 Your first recommendation was in the
16 form of an addendum to your May '01 recommendations
17 on TVA's integrated management of the river system.
18 The first in those is that you recommended the
19 consideration of changing the winter pool levels
20 from 354 to 355 on Kentucky to aid navigation of the
21 waters below Pickwick, that we add that into the
22 reservoir operation study.

23 The ROS will evaluate the benefits
24 provided by that current channel depth on the
25 Tennessee River and will determine if greater value

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1 can be gained for the stakeholders. This review
2 will include that incremental increase and decrease
3 in the channel depth, and as David alluded to, we
4 have to work closely with the Corps of Engineers,

5 recognizing that Kentucky and Barkley are attached
6 with that channel and we do -- we will have some
7 constraints in that evaluation. So although we will
8 include that, it's not exactly clear how that will
9 work, given that there are issues in navigation.

10 DR. STEPHEN SMITH: Kate, for those
11 of us who are a bit slow, where actually are you on
12 the paper?

13 DR. KATE JACKSON: I don't have that
14 paper in front of me. Think I am on the -- hang on
15 one second.

16 Are you looking at the one in front
17 of you, the letter to Bruce Shupp?

18 DR. STEPHEN SMITH: Yes.

19 DR. KATE JACKSON: You're looking at
20 the wrong page. This is the response of record to
21 the recommendations that you made to us in August
22 that Skila reviewed with you in October.

23 DR. STEPHEN SMITH: Okay.

24 DR. KATE JACKSON: I'm not talking
25 about those. I am talking about the recommendations

1 that you gave to us in October, those are the
2 biodiversity, and then these two additions to the
3 ROS.

4 DR. STEPHEN SMITH: We don't have
5 those in writing?

6 DR. KATE JACKSON: They are in your
7 book if you brought your book.

8 MR. DAVE WAHUS: New copies of that
9 were not placed on the table.

10 MR. GREER TIDWELL: So this is not a
11 written response.

12 DR. KATE JACKSON: This is our verbal
13 interaction with you. Pretend I'm Skila, if you
14 can.

15 MR. GREER TIDWELL: Pretend we
16 understand the process.

17 DR. KATE JACKSON: So what I'm
18 doing --

19 MR. GREER TIDWELL: We have got the
20 recommendations maybe somewhere in our pile from
21 last meeting and you're just talking about them?

22 DR. KATE JACKSON: Right. Okay.

23 MR. GREER TIDWELL: Give us a minute
24 to get our recommendations back in front of us.

25 DR. KATE JACKSON: Okay. So this on

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1 is 354 to 355 on Kentucky included in the ROS. Our
2 intention is to do that with the caveat that David
3 also mentioned earlier, which is there are going to
4 be some constraints and limitations placed on us at
5 the mouth of the river because of the interaction
6 with the Corps of Engineers between Kentucky and
7 Barkley. Okay. Lee, are you with me?

8 MR. LEE BAKER: Uh-huh.

9 DR. KATE JACKSON: Any questions on
10 that? Any further discussion? Okay.

11 I will move to the second -- you
12 recommended that we include in the TVA reservoir
13 operations study consideration of the flow
14 requirements on the upper Ocoee, including a cost
15 benefit analysis approach for river recreation and
16 economic development.

17 The 1997 upper Ocoee River Corridor
18 Recreation Environmental Impact Statement, that's
19 the one that we did on that upper -- on that whole
20 Ocoee corridor identified the environmental and
21 economic impacts of releases on the upper Ocoee.
22 As a result, TVA agreed to setting
23 aside 74 days of water releases each year for
24 recreational use based on the willingness to pay
25 either by the outfitters or by events planners. The

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1 ROS will do a comprehensive review of TVA's
2 operating policies and will consider programmatic
3 changes, changes to upstream operations, operations
4 of Blue Ridge, for example, could affect the
5 availability of water on the Ocoee. So there may be
6 an impact on that 74 days. We don't know what that
7 is.

8 We will study that in this process.
9 We do not intend to open the EIS that we did on the
10 Ocoee study back up to the begin discussions again

11 on the costs and benefits for the rafters on that
12 piece of property.

13 So what we will do is a comprehensive
14 review examining upstream water, because of Blue
15 Ridge, that will have an implication on the Ocoee,
16 we will evaluate that.

17 MR. GREER TIDWELL: I have got a
18 question, and maybe it was covered in the last
19 meeting and I can find it out later, but as I read
20 through this discussion with the Ocoee outfitters,
21 one thing that did strike me, and I don't remember
22 the answer to it, is the equities of charging for
23 the use of that water for one type of recreation and
24 not charging, if you will, boaters on the lake
25 during the summer for their recreation and the use

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1 of that water being held back, remind me about what
2 the answer is.

3 DR. KATE JACKSON: Okay. And there
4 are also issues that in other places in the country,

5 in fact, people don't get charged for the use of the
6 water for rafting. The case of the Ocoee, which is
7 different than everywhere else, is if we let the
8 water downstream for rafting we can't use it, not
9 one drop, not one single speck, for the production
10 of hydropower.

11 The reason is because of the flume.
12 What we do is we completely bypass the riverbed and
13 the water goes down the flume, down the penstock, we
14 generate power. So in that case it is preclusive of
15 multipurpose use.

16 In the case of a reservoir where
17 people are boating, they're fishing, there's
18 hydropower, there's flood control space, there's
19 navigation channelled up, it's multipurpose use. In
20 the case of Ocoee, when the rafters are rafting,
21 they do one thing, they raft.

22 MR. GREER TIDWELL: Got you. So
23 those head feet of water the boaters are using in
24 the summer we still get to generate power with those
25 and we don't get to --

1 DR. KATE JACKSON: That's exactly
2 right. That's why the Environmental Impact
3 Statement that we did on the Ocoee required payment.

4 Now, if you're an individual kayaker
5 you don't pay. It's kind of -- you just go out when
6 there's water, so you're doing that, too. So there
7 are other uses. There is still fishing there, they
8 don't pay for it, but our agreement was we would let
9 those 74 days be set aside based on the willingness
10 to pay by those rafters.

11 And we did give some water away and
12 there was some long-term agreement for cost share so
13 that those rafters, the outfitters particularly and
14 the events planners, would have some time to develop
15 their business and develop some sort of a
16 methodology to pay, and we're coming to the end of
17 that period now.

18 MR. AUSTIN CARROLL: Dr. Jackson,
19 just for clarification, the recommendation was to
20 include in the study a cost benefit analysis
21 approach for river recreation and economic
22 development. How are you reacting to that? One

23 more time to make sure I understood that.

24 DR. KATE JACKSON: It's very

25 complicated, and I apologize for that. What we will

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1 do is a programmatic review of the water, which
2 means we will look at the levels on Blue Ridge. We
3 will look at the impact of releases on Blue Ridge.
4 We will look at the impact of use on those 74 days
5 of having them set aside, we're assuming they're set
6 aside, but the impact on those if there are upstream
7 changes.

8 If after all of this is done, if the
9 rafters or other users of that reservoir want to
10 come back and specifically look at tactical use on
11 Ocoee, we will have to go back and do that
12 separately because we're doing a bigger programmatic
13 review, looking at the flows from Blue Ridge down
14 into the main stem and what the impacts are there.

15 So what we don't intend to do is open
16 the cost payment portion of the EIS, just the days.

17 Can we maintain the days and deal with issues on
18 Blue Ridge, which have been raised here, can you
19 leave those up longer, what are the impacts of that,
20 what are the power impacts, what are the flood
21 control impacts, what are the recreation impacts,
22 flat water up on Blue Ridge, so the programmatic
23 kinds of things will be looked at, but we don't want
24 to -- we don't want to set aside the existing EIS on
25 the Ocoee entirely.

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1 DR. STEPHEN SMITH: A clarification,
2 Kate, the not being conversant in the details of
3 this, is it safe to say that the economic analysis
4 on the cost benefit that is applied to, say, Douglas
5 will be the same economic cost benefit analysis that
6 is applied to the benefits that would be gained from
7 river rafting recreation on the Ocoee? In other
8 words, are you comfortable in your mind that you are
9 treating both constituents equally across the board
10 and are they going to see it that way?

11 DR. KATE JACKSON: Let me sort of
12 caveat my answer. Will the assumptions be the same
13 and will the analyses use the same basic
14 fundamentals of economic analysis, the answer is
15 yes. Will it exactly be the same, I don't think we
16 know that yet because there are so many individual
17 implications that are different, but the
18 assumptions --

19 DR. STEPHEN SMITH: I'm not trying to
20 prejudge the outcome. What I'm saying is if I was
21 to be engaged by a rafting company and they look at
22 the cost benefit analysis of how water is managed on
23 both sides of the dam, are you using the same
24 fundamental principles above and below so that when
25 they're arguing that they're generating this amount

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1 of revenue for Polk County versus what, you know,
2 folks are arguing for Sevier County, you know, is
3 it --

4 DR. KATE JACKSON: The answer is yes.

5 DR. STEPHEN SMITH: Okay.

6 MR. BRUCE SHUPP: Any more comments
7 or questions? Roger, does Kate's response address
8 the request, the recommendation?

9 SENATOR ROGER BEDFORD: I think so.

10 MR. BRUCE SHUPP: I think so, too.

11 MR. JIMMY BARNETT: Kate, one
12 question. One thing that was brought out by Kevin
13 Colburn talking about FERC requiring investor owned
14 utilities to donate water as recreation is being
15 given equal consideration and relicensing now, have
16 we ever gotten any more feedback as to where they
17 are requiring that?

18 DR. KATE JACKSON: Well, we have
19 specifically examined what goes on in the FERC
20 process at investor owned utility projects, and I
21 think the difference here is -- goes back to what I
22 talked about with respect to the water. I think
23 that those investor owned utilities are required to
24 weigh in the balance and scales of recreation as
25 they marginally change the value of the hydropower

1 produced.

2 In this particular case, there aren't
3 any scales. You either make hydropower or you
4 don't. So there is a very fundamental difference in
5 the case of the Ocoee.

6 Austin?

7 MR. AUSTIN CARROLL: In our
8 subcommittee meeting, which Mr. Colburn attended, I
9 asked him if we would go and find those examples of
10 where that has taken place, and he did come back and
11 report to the committee, and I wish he were here,
12 but I believe some of other committee members can
13 verify that he couldn't find anything like --
14 exactly like the Ocoee, is that right? Miles, I
15 think you were at all of those meetings.

16 MS. MILES MENNELL: Yes.

17 MR. AUSTIN CARROLL: I think he was
18 under somewhat of a false assumption on what, you
19 know, FERC required of hydroplants or whatever.

20 DR. KATE JACKSON: Okay. So I will
21 move on, unless there is further discussion on this.
22 Okay.

23 Your other recommendations concerns
24 TVA's policy on improving biodiversity in the
25 Tennessee River system. The first was that you

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1 recommended that TVA maintain current levels of
2 biodiversity in the Tennessee River system by
3 meeting our obligations under the Clean Water Act,
4 Endangered Species Act by continuing our efforts on
5 behalf of native species biodiversity and by
6 adopting no-net-loss policy for native species.

7 TVA agrees biodiversity in the
8 Tennessee River is extremely important. We will
9 continue to meet our obligations under the National
10 Environmental Policy Act, the Endangered Species
11 Act, the Clean Water Act, and other pertinent laws
12 and regulations. These actions help maintain or
13 enhance natural communities, both in the streams and
14 on the land within the Tennessee River Valley, but
15 we want to emphasize that TVA is merely one player
16 in biodiversity and that we will continue to

17 cooperate with federal agencies, state agencies, and
18 non-governmental organizations to ensure that our
19 actions don't contribute to the loss of native
20 species.

21 However, we cannot accept a
22 recommendation to adopt a no-net-loss policy for
23 native species. We agree achieving that is a
24 desirable goal and we agree to continue to pursue
25 that goal. However, our biologists and biologists

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1 from other -- both state and federal agencies are in
2 agreement that there are a few species in the
3 region, an example is some mussels that persist in
4 the mature non-reproductive form and that we are
5 probably unlikely to be able to hold on to those
6 species over time.

7 They likely become extinct over the
8 next few decades, regardless of any reasonable or
9 practical changes that we could take on in our
10 reservoir system. Therefore, we're reluctant to

11 adopt that policy formally. We believe the approach
12 that we're taking though is consistent with your in
13 so far as practical statement provided in your
14 recommendation.

15 Questions?

16 MR. JIMMY BARNETT: We had quite a
17 debate in our subcommittee about that particular
18 wording and elected to leave it in, but part of the
19 discussion focused around the fact that a
20 no-net-loss policy would probably be a very optimum
21 kind of thing to do.

22 DR. KATE JACKSON: And our position
23 is that's a very -- very black and white statement
24 to make, and given the situation that we find
25 ourselves in, we're reluctant to go there.

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1 DR. STEPHEN SMITH: Well, Kate, I
2 think the example that you chose of why you can't do
3 this based on mature individuals within threatened
4 populations being unable to reproduce, you know,

5 clearly is a good example of how, but I think the
6 concern is that those individuals get to that point
7 through this constant graying out of what needs to
8 be done and I guess I'm a little uncomfortable with
9 just the complete discounting of this without -- and
10 I -- I mean, I would almost want to rethink that a
11 little bit because it is problematic, I guess.

12 MR. BRUCE SHUPP: More comments?
13 From the back, Axel.

14 MR. AXEL RINGE: I just can't help
15 myself, Kate. The subcommittee and the Council,
16 when they passed this recommendation, deliberately
17 left in those, if you will, weasel words about
18 insofar as practical because we recognized that the
19 TVA Board might stumble on a black and white
20 statement as no-net-loss. So I don't know why they
21 have this difficulty with the way that it is worded.

22 The other point I want to make is
23 that a no-net-loss policy does not, at least in my
24 opinion, make TVA or the Board legally liable if a
25 species does happen to be lost. It merely obligates

1 TVA to take whatever steps they can do to prevent
2 that from happening.

3 As an example of that sort of thing,
4 the Corps of Engineers has a no-net-loss policy on
5 preserving wetlands nationwide, but we all know that
6 wetlands are still being lost to the tune of tens of
7 thousands of acres per year, but they have -- they
8 have this policy which gives the -- a moral thrust,
9 if you will, towards their efforts towards
10 preserving wetlands, and I see the same thing in
11 this policy of a no-net-loss for native species
12 within the Tennessee Valley. It doesn't prevent
13 that sort of occurrence from happening, but it
14 merely obligates TVA to do what is in their power to
15 prevent that from happening.

16 DR. KATE JACKSON: And we're
17 sensitive to that need. We do believe it's very
18 important, even though you don't interpret or the
19 Council doesn't necessarily interpret your
20 recommendation verbatim doesn't mean that others who
21 will come later will not, and because of that TVA
22 firmly believes that we should not have illusions

23 about our ability to maintain a no-net-loss policy.

24 I would prefer us to be honest with
25 each other and say we will do everything insofar as

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1 practical in our operations and in our expenditures
2 on the land and the water to try to attain that
3 no-net-loss but adopting a no-net-loss policy is
4 further than TVA feels we can commit.

5 MR. BRUCE SHUPP: More comments?

6 MR. GREER TIDWELL: I've got a
7 question about other agencies that also have
8 resource management responsibilities and whether
9 we're seeing other federal agencies adopt
10 no-net-loss policies beyond the wetlands.

11 DR. KATE JACKSON: I can't answer
12 that question, but we can find out.

13 MR. BRUCE SHUPP: Are we at the end
14 of this discussion? That's the last recommendation.

15 DR. KATE JACKSON: No. There's more.

16 DR. STEPHEN SMITH: Well, I -- and I

17 don't know what the process is here for this as far
18 as, you know, what -- you know, if this is just it,
19 you know, the Board says it's out, forget it or
20 whatever, but I certainly want to be on the record
21 that I'm unhappy and I think that, you know, this --
22 it wouldn't be interesting to have some sort of a
23 way of refining this more because I think it is
24 problematic.

25 MR. BRUCE SHUPP: We have never had a

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1 recommend on, as I can recall, on a recommendation
2 that we didn't think was --

3 MR. GREER TIDWELL: I think the
4 process is that Skila, in the form of Kate, speaks
5 to us on behalf of the Board prior to sending us
6 something in writing, and I don't think the process
7 is now -- unless we want to take back up a
8 recommendation and redraft a recommendation, the
9 process is the public, TVA's stakeholders, have
10 spoken to the Board and said, we believe that a

11 no-net-loss policy is appropriate, and the Board is
12 saying, your next written document from us is going
13 to say, we reject adopting a no-net-loss policy.

14 So the process is to inform our
15 stakeholders this is about to happen and see what
16 happens after that or continue in this discussion
17 and see if we can get another step in the Board's
18 consideration of our recommendation before it comes
19 back to us as a final piece of writing in a formal
20 response or recommendation, that's the process.

21 DR. KATE JACKSON: And I will take
22 back the comments that we hear today, and as
23 responsibly as I possibly can, represent the
24 comments that you had and go back with the Board. I
25 mean, the Board has approved the words I'm using

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1 today. I will speak with them about your comments
2 and we will reexamine that as we produce the final
3 document response for the record.

4 MR. BRUCE SHUPP: Lee?

5 MR. LEE BAKER: Yeah. I just feel
6 compelled to speak up and say the entire public is
7 not unhappy with that wording. I'm not dissatisfied
8 with the approach TVA is taking on that. So I want
9 to be sure that the record doesn't reflect that
10 everybody in the world is speaking against that
11 wording.

12 You know, we talked about this at
13 length, and I think there is room for debate and
14 what's practical and what's not practical. And as
15 far as I'm concerned, I'm afraid of that wording
16 because of what others would do with it later on.
17 So I just wanted to be clear that I am not
18 uncomfortable with the stand TVA is taking.

19 MR. THOMAS GRIFFITH: Bruce, I want
20 to share Lee's feelings, I don't think that we need
21 to -- I mean, I concur with TVA's Board action in
22 that they don't need to commit to a no-net-loss when
23 in reality it's probably an impossibility to prevent
24 some species eventually from being lost, and I
25 totally concur in their actions.

1 MR. BRUCE SHUPP: Julie?

2 MS. JULIE HARDIN: Yes. I would like
3 to say that I'm totally with Axel and Stephen, and I
4 think Greer. I would like to go on the record as
5 saying that I would like this looked at twice by the
6 Board.

7 MR. W. C. NELSON: Excuse my voice,
8 but -- I have lost my voice this morning, but I just
9 want to say that I want to concur with Lee and
10 Thomas. In my opinion, we're going at it the
11 correct route. I agree with them.

12 MS. ANN COULTER: Well, since we seem
13 to be starting to line up on either side of
14 something, which is a little bit out of the way we
15 have done things, we're, nevertheless, I think,
16 presented with an issue which is important going
17 forward, as the Council may be going forward; and
18 that is, how do we deliver a response to TVA on a
19 recommendation we have made.

20 The thing that troubles me about No.
21 1, by deleting that portion of it, although, it
22 appears that 2, 3, 4, 5, and so forth do go on to

23 say how TVA will do more than just try to maintain,
24 what you're left with in that statement if you take
25 out the no-net-loss, is essentially business as

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1 usual.

2 So I think there may be some --
3 something that says that we will maintain, we will
4 continue following the laws and so forth, but we
5 achieve to an additional level of protection, maybe
6 there's a way to do that without having the language
7 be so black and white that the Board just can't go
8 along with.

9 MR. BRUCE SHUPP: Is there another
10 hand?

11 I will make a comment. I can
12 understand why TVA doesn't want to endorse that on a
13 black-and-white basis, I can fully understand that.
14 I just wonder -- I think what you have said is that
15 you philosophically adopt that philosophy.

16 DR. KATE JACKSON: That's right.

17 MR. BRUCE SHUPP: Well, why not word
18 it then that -- you say that we will accept the
19 no-net-loss recommendation in -- recognizing that
20 the recommendation is based on the statement insofar
21 as practical, but we must also state that we feel
22 that many -- many of these no-net-loss situations
23 may be outside of TVA's control, would that wording
24 make you feel better?

25 DR. STEPHEN SMITH: Well, I think

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1 with what Ann has said and what you have said,
2 you're getting closer. I think this sort of just,
3 you know, out of hand deleting this is unacceptable.
4 I think there needs to be some -- and again, I'm
5 sorry that I don't have in front of me the language
6 the Board is going to use to reject this provision,
7 so I -- you know, it's difficult for me, you know,
8 to adequately be prepared to respond, but I am very
9 uncomfortable with it.

10 DR. KATE JACKSON: Two things. One

11 is we're not suggesting that you delete anything
12 from your recommendation to TVA, that's the first.
13 The second, although you feel as though the TVA
14 Board has rejected your recommendation, TVA hasn't.
15 TVA has registered discomfort with it and will not
16 adopt a policy. Some of the other things though we
17 have said is that we are philosophically agreeing
18 with it. So I'm not suggesting that you change any
19 words in your recommendation.

20 MS. JULIE HARDIN: Could you repeat
21 No. 1 that you just mentioned, Kate?

22 DR. KATE JACKSON: I'm not suggesting
23 that you change any of the -- you want me to read
24 your recommendation, is that what you're asking,
25 Julie?

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1 MS. JULIE HARDIN: No. You just
2 mentioned 1, 2, 3 things, could you repeat No. 1?

3 DR. KATE JACKSON: The first one is
4 I'm not suggesting that you change your wording on

5 your recommendation at all.

6 MS. JULIE HARDIN: Thank you.

7 MR. BRUCE SHUPP: Roger?

8 SENATOR ROGER BEDFORD: Mr. Chairman,
9 you know, this is the first time we have crossed
10 this bridge, but if there is strong feeling on the
11 Council, from my part I'm open to try to find a
12 little more middle ground. I am not particularly
13 comfortable with a black-and-white approach, but I'm
14 sensitive that many of these members feel that just
15 to delete it in its entirety with no response back
16 from what appears to be a pretty strong felt view of
17 many of the members of the Council, perhaps there is
18 some middle ground that can be found and that be
19 sent back to them as an addendum, unless Kate tells
20 us that's not within our purview, I don't see
21 anything wrong with that. That's part of the give
22 and take of policy making.

23 MR. BRUCE SHUPP: Well, I felt when
24 we recommended this or developing it, that when we
25 put in insofar as practical that was weasel enough,

1 I go along with what Axel said. I think TVA should
2 clarify that or at least restate that they recognize
3 that insofar as practical is somewhat of an
4 absolution for putting all of the resources of TVA
5 into saving one mussel species, for example.

6 The other thing that bothered me
7 about that is that a decision may be made by Fish
8 and Wildlife Service through their process that a
9 species cannot be saved and that the resources won't
10 be put into that. Therefore, the no-net-loss will
11 happen, but regardless, there won't be resources put
12 into it.

13 So these things are out of TVA's
14 control in many respects, and I think that if you
15 recognize that in your comment on the recommendation
16 I think it will satisfy both ends. We adopt it
17 philosophically. We recognize you said insofar as
18 practical and there may be things out of our
19 control, but philosophically we agree that it's an
20 admiral policy.

21 MR. JIMMY BARNETT: You know,
22 Mr. Chairman, one of the reasons we put insofar as

23 practical in the first paragraph, that modifies
24 everything beyond it, and that's, Kate, what we --
25 the reason we put it in up there.

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1 DR. KATE JACKSON: Yes. And we
2 discussed that internally, and I think our
3 discomfort with it inside TVA is no-net-loss is
4 absolute. Insofar as practical is subjective. And
5 obviously, we have a disagreement. I don't think
6 philosophically we have a disagreement, and we will
7 work as we word our response to be very clear.
8 And, of course, we're willing to work
9 with you on an ongoing basis to try to work through
10 this in a diplomatic way. I don't think this
11 Council has the ability to go back and deliberate
12 and add an addendum to a recommendation, given that
13 this is kind of the end of this Council's term.
14 However, that doesn't mean that we don't want to
15 work with each and every one of you as we move
16 forward to try to make this come to some sort of

17 resolution.

18 MR. BRUCE SHUPP: I think through the
19 discussion we're close.

20 DR. KATE JACKSON: I think we are,
21 too.

22 MR. BRUCE SHUPP: I think we're
23 close. It's just a matter of how you restate it and
24 probably your definition of no-net-loss in the
25 absolution of -- the absolute nature of that.

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1 Who was up next? Greer?

2 MR. GREER TIDWELL: I want to go on
3 the record as saying I'm sorry for those mussels who
4 can't reproduce anymore. It's an important part of
5 life, and if they're missing out on that, I'm sorry
6 for them.

7 I also want to say, it seems to me
8 that the practical reality is that the TVA Board has
9 decided they would rather read in the newspaper the
10 TVA Board has given up on the mussels and rejects

11 the recommendation to adopt a no-net-loss policy as
12 opposed to refining in the paper an approach that
13 TVA is educating the public there are some mussels
14 in extreme danger for which there seems to be no
15 practical approach to save, and I don't know what
16 they are, how many they are, but apparently there
17 are, and yet, TVA adopts the philosophy and adopts
18 the policy that they will do everything practical to
19 save biodiversity in the region, that's what the
20 Board has just told me, they would rather see that
21 in the newspaper than the other thing in the
22 newspaper.

23 I think there's a way to draw this
24 back and consider it some more without that being
25 what comes out in the newspaper, but that's the

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1 practical reality of it. That's how this Council is
2 supposed to work, I think. And I don't mean that
3 we're all supposed to go run off and talk to the
4 newspapers, but at the point where the Board gives a

5 formal response to a recommendation, that's news.

6 The Board is right next to that point
7 right now because this is the Board in person
8 talking about it, but they haven't put it in
9 writing, so we can have this discussion. That's why
10 I want to be on the record as saying that I think a
11 no-net-loss policy is the appropriate policy for TVA
12 with some education that there's some species out
13 there that may be lost already with no practical
14 approach to saving them.

15 MS. MILES MENNELL: Can we, as a
16 group, amend our agenda -- this is a question,
17 simply a question. If we decide that we want to
18 draft a new recommendation and send it with our
19 other recommendations today back to TVA's Board, can
20 we, in fact, amend our agenda to include a new
21 recommendation that we draft this afternoon to send
22 back so that we can open this up to perhaps Stephen
23 and Greer or whoever can come up with some language
24 and we can act on that as a Council this afternoon
25 when we consider other recommendations?

1 MR. BRUCE SHUPP: I think we probably
2 could do that, but it might be simpler to have
3 Stephen and Greer to work with Kate on the language
4 of the response.

5 DR. KATE JACKSON: It seems to me
6 we're not arguing about your recommendation. What
7 we're discussing is the words that the Board will
8 use in responding to that recommendation, and I
9 hesitate to encourage you to draft words for the
10 Board. We will obviously go back and discuss this
11 again, and I'm sensitive to your comments.

12 MR. BRUCE SHUPP: Julie?

13 MS. JULIE HARDIN: I think we also
14 need to remember the influence that TVA has as a
15 leader over these other agencies who may indeed do,
16 Bruce, what you just said, and I think we need to
17 consider that whatever TVA Board accepts will have
18 some influence on fish and wildlife, on Corps of
19 Engineers, whatever, and I hate to let go of that.

20 MR. BRUCE SHUPP: Any comments?

21 MR. GREER TIDWELL: Do I hear a go
22 forward plan, Kate, that our next discussion on this

23 will, in fact, be in the same format as this, a
24 discussion prior to final written response from TVA
25 Board?

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1 DR. KATE JACKSON: Well, maybe Barry
2 can weigh in here. This Council terminates this
3 weekend. Clearly the next Council can take up this
4 issue once again. I'm hoping that we see many of
5 the same faces around the table, and as that
6 happens, we would obviously be willing to talk about
7 that.

8 What will happen next is I will go
9 back and my staff and I will try to lay your
10 comments next to the words that I have spoken and
11 provide your comments directly to the Board and try
12 to resolve in a recommended response to the Board
13 they can discuss seeing your raw comments next to
14 the original and our recommended response and then
15 will come the written response to you.

16 MR. BRUCE SHUPP: Barry, did you have

17 a question?

18 MR. BARRY WALTON: No, unless there's
19 more questions from the Council.

20 DR. KATE JACKSON: I mean, obviously
21 as we move forward with this, I'm perfectly willing
22 to have some off-line conversations with those of
23 you who are particularly troubled by this and want
24 to have ongoing communication.

25 MR. BRUCE SHUPP: As I understand it,

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1 let's clarify this, Greer, we haven't gotten an
2 official response back from TVA on our
3 recommendation yet. We have had a discussion about
4 structuring their response and our feelings toward
5 their response, and that formal response will come
6 back after the discussion that Kate has with the
7 Board.

8 So we haven't -- this concept hasn't
9 been rejected or the comment isn't final. So I just
10 want to alert everybody that -- don't run out and

11 say that TVA has rejected a no-net-loss policy, that
12 certainly hasn't been the case yet, that has not
13 been decided. So I think that's a plan. I think
14 going back and talking to the Board about what the
15 feelings are here is a plan and the next Council
16 will deal with it. I'm satisfied with that, how
17 about the rest of you?

18 All right. Sounds good to me.

19 DR. KATE JACKSON: I have more.

20 MR. BRUCE SHUPP: We have five more,
21 six more.

22 DR. KATE JACKSON: You recommended
23 that TVA improve the biodiversity of the Tennessee
24 River system native species' habitat needs when
25 planning and implementing river operations and

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1 through the use of TVA's regulatory tools.

2 And as I said on the last
3 recommendation, we do agree biodiversity is
4 important, and as I've noted, TVA is merely one

5 player in this issue in this watershed.

6 TVA works with federal and state
7 agencies to address the habitat of native species.
8 When proposing new activities, TVA uses the NEPA
9 process as a decision-making tool that allows us to
10 avoid adverse impacts to native communities and to
11 enhance conditions for those native species.

12 In addition, during our environmental
13 review of 26A permit requests, TVA applies standards
14 and guidelines intended to avoid adverse impacts to
15 native communities. TVA's Reservoir Releases
16 Improvements Program is an example of a program that
17 was designed and has been implemented specifically
18 to improve habitat conditions for aquatic life
19 downstream of our dams. This includes establishing
20 and maintaining minimum flows and dissolved oxygen
21 levels that encourage the development of more
22 diverse and stable aquatic communities, and we would
23 intend to continue that kind of programmatic
24 activity.

25 MR. BRUCE SHUPP: Comments?

1 DR. KATE JACKSON: No. 3, you
2 recommend that TVA partner with other agencies and
3 organizations and stakeholders to identify needs and
4 implement strategies that will improve biodiversity.
5 We accept this and agree that these partnerships are
6 critical.

7 An important focus of the watershed
8 team activities continues to be the identification
9 and encouragement of partnerships among local,
10 regional, and federal agencies and organizations to
11 improve water quality in the streams and reservoirs
12 in each area. The results of these partnerships
13 generally include habitat improvements and
14 contribute to public appreciation of the diversity
15 of aquatic species in the streams.

16 On a regional scale TVA routinely
17 participates with other groups in restoration
18 projects, such as the reintroduction of lake
19 sturgeon in the French Broad River and joint
20 planning for the protection of natural areas, such
21 as the development and management of Nickajack Cave
22 Wildlife Refuge. These activities improve both the

23 protection and the public's appreciation of the
24 biodiversity of the Valley. So we will continue to
25 strive to development those partnerships as strongly

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1 as we can.

2 MR. BRUCE SHUPP: Comments?

3 DR. KATE JACKSON: No. 4, you
4 recommend that TVA initiate planning and actions for
5 the improvement of biodiversity by taking the
6 leadership role with its partners in the Tennessee
7 Valley.

8 TVA commits to continuing to
9 encourage and participate in partnerships with
10 others, both government and private, and to plan and
11 implement projects to approve biodiversity.

12 From a legislative and regulatory
13 perspective, no single federal agency has been given
14 a national leadership role in addressing
15 biodiversity issues. TVA recognizes the important
16 roles that the U.S. Fish and Wildlife Service, the

17 Environmental Protection Agency, and U.S. Geological
18 Survey, and the U.S. Forest Service currently play
19 in maintaining and preserving biodiversity in the
20 Tennessee Valley.

21 Our experience has been that the most
22 productive and long-lasting improvements come from
23 that open, collaborative actions and partnerships
24 that you recommend. Our watershed teams and service
25 staffs will continue to encourage and facilitate the

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1 formation of those groups to focus on projects with
2 long-term goals that preserve and enhance
3 biodiversity in the Valley.

4 MR. BRUCE SHUPP: No. 5.

5 DR. KATE JACKSON: You recommend that
6 TVA manage its lands and waters as examples of
7 responsible stewardship that protects and/or
8 improves the region's biodiversity.

9 TVA is continually examining the way
10 it manages public lands under its control in the

11 Tennessee River system. TVA has a long-term land
12 use planning process to systematically survey public
13 lands around reservoirs and to identify important
14 resource areas that require protection and areas
15 suitable for various types of development. Our land
16 use plans include the identification of new natural
17 areas and other areas zoned for resource
18 conservations or resource management while various
19 development restrictions might apply.

20 Examples of TVA Natural Areas
21 designated specifically for the protection of
22 aquatic animals include Key Cave and Pryor Branch
23 Habitat Protection areas, both in Northern Alabama.

24 Other examples of TVA habitat
25 protection and improvement include stabilization of

1 pool levels in many reservoirs during spawning
2 season to enhance the survival of important fish
3 species and, when possible, maintaining a continuous
4 minimum flow downstream from Watts Bar Dam during

5 the breeding season to enhance spawning of sauger,
6 an important species.

7 So we could continue to do that. The
8 ROS will continue to examine that, particularly on
9 the fish species as we move through that process.

10 Questions?

11 No. 6, you recommend that TVA sustain
12 its preeminent ecological expertise and data
13 collections and preserve TVA's institutional memory
14 by documenting the history of TVA's ecological
15 contributions to science and the Tennessee Valley.

16 We agree that TVA's ecological
17 expertise and data are valuable. While many of
18 TVA's most experienced employees either are or will
19 be eligible for retirement in the next few years, we
20 are working on major workforce planning processes
21 that include hiring new employees, bringing in a new
22 generation of college recruits into TVA to learn
23 from our existing employees through an active
24 mentoring program and developing them and other
25 employees and strategies to retain employees.

1 Do you want to talk about that one
2 specifically before I move on to the documentation
3 issue?

4 DR. STEPHEN SMITH: Well, I mean,
5 maybe there's more in there because that seems to
6 not address the issue that -- at least the intent
7 that I understood this, which is -- I mean, I
8 understand that you've got people retiring and you
9 have got workforce, yada, yada, yada, but it doesn't
10 seem to me that there's -- I didn't hear anything in
11 that statement that there's a special commitment to
12 the expertise on the biodiversity kind -- because,
13 you know, the things -- I mean, you have got several
14 individuals at TVA who, I think, are older that have
15 a significant knowledge on the -- the breath of the
16 biodiversity and some of the issues around it, and
17 I -- I didn't hear in your statement that you're
18 talking about assuring that that knowledge base is
19 specifically looked at. I heard it in a very global
20 sense, which is noncommittal.

21 DR. KATE JACKSON: I think that the
22 way we interpreted this was broad ecological

23 expertise. Did the Council mean specifically
24 focused on issues of biodiversity?

25 MR. BRUCE SHUPP: I don't think we

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1 did, Stephen, as I recall it, and I'm not sure that
2 we did, because this was one of my pet things, the
3 fact that their expertise and their numbers of staff
4 have dwindled so drastically over the last 30 years
5 that their point of institutional memory was gone,
6 that was what we were talking about, maintaining the
7 database.

8 DR. STEPHEN SMITH: But there is --
9 but within the context of -- the reason that I
10 thought that this was appearing within the context
11 of a biodiversity recommendation was that -- I think
12 that is a global problem within TVA, within the
13 river system operations, probably in some other
14 areas, too, but I think it is especially sensitive,
15 I think, in the biodiversity, and, you know, maybe
16 it was the -- it was my understanding the intent was

17 particularly in that direction, being in the context
18 of a biodiversity recommendation because I think --
19 I think that otherwise we could just do a generic,
20 you know, TVA has got a lot of old folks that are
21 about to retire, you're going to lose a lot of
22 institutional knowledge, but it wouldn't necessarily
23 need to be within the context of this particular
24 recommendation, but I think the biodiversity
25 knowledge at TVA, in my opinion, is particularly

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1 vulnerable.

2 MR. JIMMY BARNETT: You mentioned you
3 had some more comments, Kate, about documentation
4 and everything?

5 DR. KATE JACKSON: Yeah. But I would
6 really like to make sure that I am very clear on
7 what the Council's intent was on this
8 recommendation. This clarification is helpful. Is
9 there more?

10 MR. JIMMY BARNETT: I think we were,

11 and I agree with Stephen, thinking more about the
12 biodiversity is the reason we included it in a
13 recommendation like this. I also agree with him
14 that I like your history museum, I have enjoyed
15 going through it. More documentation, I would like
16 to have more documentation on my system, for an
17 example. I have lost some people that knew these
18 things, and I go back to newspaper records and I
19 find some reference so some of it, but I can't find
20 anybody that could elucidate on it.

21 MR. BRUCE SHUPP: I don't think we're
22 saying different things. My thought was that
23 without saving the database and without saving a
24 staff that can manage and understand and interpret
25 that database, you are never going to save the

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1 biodiversity data, it's all in there. So all I'm
2 saying is it's not strictly focused on biodiversity,
3 it's focused on infrastructure of their data and of
4 their staffing.

5 DR. STEPHEN SMITH: Well -- but I
6 think there is a big distinction between in the name
7 of the efficiency having the data and having an
8 individual who has multiple responsibilities and
9 that just happens to be one of them, but they are
10 really not conversant, they really don't understand
11 it and not focused on it, whereas, TVA has had
12 individuals, I think, that have a primary focus on
13 biodiversity, and they are able not only to
14 manipulate that database but to strengthen it and to
15 be available, particularly when TVA is going through
16 discussions on NEPA documents and other things like
17 that so that TVA is not, in essence, outsourcing to
18 what is, I think, generally becoming a dwindling
19 knowledge base about some of this because there may
20 have been a pulling back from the commitment.

21 So my sense is that while you could
22 have it on a line item or on someone's work plan
23 that they have to do this, they may not be as
24 focused. And I think that my fear is that in -- as
25 you begin to, you know, ax the budget or increase

1 efficiencies, whatever terminology you want to use,
2 this is something that if it is not pulled out and
3 identified and highlighted is something that could
4 quickly disappear and it may be -- we maybe not
5 realize the significance of what we had lost because
6 we have not groomed a new generation until it's too
7 late because the erosion has already taken place.

8 So it was my hope that it would be
9 specifically dealing in the context of biodiversity
10 focus staff, which I think TVA has some individuals
11 that could truly be ranked as some of the best, you
12 know, in the country, if not in the world, and I
13 just don't know that we have a new generation of
14 people in the wings plotting along and whether TVA
15 is providing an opportunity for that knowledge to be
16 passed on and then people be able to continue to
17 build upon the good work that's being done.

18 DR. KATE JACKSON: And so when you
19 say biodiversity expertise, you mean specific
20 resource area expertise, senior expertise in
21 particular resource areas, an etiologist, I mean,
22 that kind of specific as opposed a biodiversity

23 guru?

24 DR. STEPHEN SMITH: Yeah, I mean, I

25 think --

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1 DR. KATE JACKSON: Well, they are

2 different.

3 DR. STEPHEN SMITH: And, you know, it

4 may be that we need to talk off-line and talk about

5 the specifics, but, I mean, you know -- and I can't

6 recall all of their names.

7 DR. KATE JACKSON: Sure.

8 DR. STEPHEN SMITH: But I know there

9 are individuals at TVA that are renowned in that

10 way. And given that TVA is, you know, managing one

11 of the most biodiverse regions of the world

12 literally, I think that it is appropriate for TVA to

13 have that kind of expertise on staff because the

14 decisions that are made by TVA in this -- I mean,

15 we're not talking about -- I mean, we're talking

16 about a biologically diverse hot spot in the world

17 that is within TVA's management control, and I think
18 it is appropriate for TVA to have that kind of
19 expertise on staff, yes.

20 DR. KATE JACKSON: That's helpful.
21 Thank you.

22 MR. BRUCE SHUPP: That's good, very
23 good. Anybody else?

24 DR. KATE JACKSON: The next piece of
25 this was the issue of documentation. It's state of

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1 the art to standardizing document processes so that
2 as you have new employees come in, they can get
3 trained quickly on the processes that are used.

4 We're going through a comprehensive
5 effort to document our processes to ensure that we
6 retain the critical knowledge of how things work,
7 that's kind of the standard underpinning of how
8 we're moving forward, not to slash budget but to get
9 more efficient.

10 With regard to ecological data

11 specifically, TVA collects information about all
12 parts of the Tennessee River watershed and maintains
13 several databases that allow this information to be
14 retained, reviewed, and analyzed. The TVA Regional
15 Natural Heritage database includes information about
16 endangered and threatened species, natural areas and
17 other sites with unique features.

18 We intend to maintain that database
19 and enhance it's usefulness going forward. That is
20 slightly different than the issue that Jimmy raised
21 a few minutes ago with respect to communicating and
22 documenting that history for public consumption.

23 Did the Council specifically address
24 that issue?

25 MR. JIMMY BARNETT: I don't think we

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1 have talked about the public -- in essence, we were
2 mainly thinking about the practical.

3 DR. KATE JACKSON: Okay. Thank you.

4 MR. JIMMY BARNETT: If I am wrong,

5 say so.

6 MR. BRUCE SHUPP: Axel?

7 MR. AXEL RINGE: Kate, I think part
8 of the discussion when we came up with this
9 recommendation was the desirability of TVA not only
10 documenting this day-to-day information for its own
11 uses but to use it or have it available for use as
12 an educational tool for all of TVA stakeholders.

13 A lot of the eight million people
14 within TVA's region don't fully appreciate what TVA
15 does, has done, and will do in the future, and the
16 reason they don't appreciate that is because they
17 don't know. And this is particularly one area where
18 we think it would be in TVA's self interest, if for
19 no other reason, than to be able to have
20 documentation on hand that would make people more
21 aware of what TVA's activities and expertise in this
22 area is.

23 MR. BRUCE SHUPP: Roger?

24 SENATOR ROGER BEDFORD: Thank you,
25 Mr. Chairman. It was specifically my thought that

1 it would be available to the public, for
2 universities, for stakeholder groups to be able to
3 access for educational purposes, and that this is
4 something that would aide TVA's mission and not be a
5 hinderance to the TVA mission, and that was my
6 recollection and view on that matter.

7 MR. BRUCE SHUPP: Steve?

8 DR. STEPHEN SMITH: I don't have
9 anything on other -- on that specifically. So my
10 statement is, I think, more global about the
11 recommendation.

12 MR. BRUCE SHUPP: Let's go on to the
13 specifics of the awareness campaign.

14 DR. STEPHEN SMITH: Well, I guess
15 what -- given that there's been new Board members
16 added, I guess this is just a generic question to
17 Kate, do you feel that the executive committee and
18 the Board understands or has ever been briefed or
19 fully appreciates the -- the growing awareness about
20 the Tennessee River Valley being a global hot spot,
21 I mean, is that -- do you think that is something
22 that is in their overall sort of -- I mean, of

23 information that they -- they are aware of? I mean,
24 is it something that has ever been, I guess,
25 discussed or anything?

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1 DR. KATE JACKSON: Yes, we have
2 discussed it. Yes, we do briefings on issues of
3 that nature either in the general programmatic arena
4 or on specific projects. When there are specific
5 requests in front of us, we talk about that either
6 on that particular tract or the implications that it
7 has in a more regional nature. You're asking me to
8 tell you what's in the mind of the executive
9 committee --

10 DR. STEPHEN SMITH: No. No. I'm
11 just trying to understand -- I mean, there have been
12 some new graphical visual representations of our
13 region, the World Wildlife Fund and some other
14 scientific groups have really begun to identify some
15 of the habitat within the Tennessee Valley and is
16 especially critical for aquatic species, and I'm

17 just wondering if that is conveyed in a way that
18 they can appreciate it or does it just come up in
19 the course of, you know, sort conversations and, you
20 know, projects and stuff? I mean --

21 DR. KATE JACKSON: They have seen
22 that material.

23 DR. STEPHEN SMITH: Okay.

24 MR. JIMMY BARNETT: Kate, I had a
25 conversation with a new Board member the other

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1 morning, and I mentioned or asked him if he had seen
2 this interactive program that you showed us on the
3 automatics of the river, taking into account all of
4 these particular parameters, I don't think he knew
5 what I was talking about. So I suggested to him he
6 might want to see it because it was a good thing.
7 So if he says something, that's what I had reference
8 to.

9 DR. KATE JACKSON: Thank you.

10 MR. BRUCE SHUPP: Any more comments?

11 DR. KATE JACKSON: No. 7, you
12 recommend that TVA engage in a public awareness
13 campaign to make the Tennessee River Valley
14 residents aware of extraordinary native biodiversity
15 of the region and TVA stewardship efforts.

16 We agree to review our communications
17 and environmental education material to look for
18 opportunities to actively teach about the scientific
19 concepts underlying native biodiversity in the
20 watershed. This topic will receive added emphasis
21 in materials that we develop for use in community
22 education delivered by scientists assigned to those
23 watershed teams that are out there communicating on
24 a daily basis and for materials that may be
25 developed for K through 12 educational purposes. We

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1 don't currently have a plan, but that's our intent.

2 MR. JIMMY BARNETT: I strongly
3 support going to the schools in Alabama. We have
4 had a public water week every year for the last four

5 years. It's received enthusiastic response all over
6 the state. It's sponsored by ADEM and a lot of
7 other particular places. I have had parents come to
8 me and say, hey, they appreciated us sponsoring that
9 particular thing because it made them more aware
10 because, as you know, if our kids get interested in
11 something we automatically wind up being interested
12 in it.

13 DR. STEPHEN SMITH: Yeah, I want to
14 reinforce that and maybe -- you know, again, I
15 believe it's one thing to consciously go about
16 activities that cause, you know, the loss of species
17 that are irreversible. I think there's no excuse to
18 do it in ignorance, and I think the TVA has a
19 special responsibility to articulate and communicate
20 the responsibilities that it has inherited as the
21 keeper.manager of the fifth largest river system in
22 the country.

23 And if it is, indeed, a biological
24 hot spot, I think it should be -- TVA should be
25 proud of that and it should be communicated in all

1 kinds of ways, and I think educating the kids is
2 one, but I think there are probably other
3 opportunities for TVA to educate and highlight the
4 biological significance of this responsibility
5 and -- because if we know we're doing it and people
6 want to walk down that path consciously, it's one
7 thing. If we do it because we just are ignorant of
8 the fact that we're doing it, I think that's
9 unexcuseable.

10 MR. BRUCE SHUPP: A comment to the
11 potential future members of the second iteration of
12 the Council is that we may want to think about a
13 recommendation to TVA on an information and
14 education program. We have mentioned this so many
15 times throughout our comments that here's an agency
16 doing a lot of good things for a lot of parts of the
17 life of the people in this region and for the
18 resources of this region and getting kicked around
19 no matter what it does in many cases, and I think
20 that the Council should really think about how we
21 can recommend where to go with some public
22 information in that process. That's something to

23 think about for the coming meetings.

24 Any more comments?

25 Thank you very much, Kate. Let's go

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1 enjoy lunch. We will be back promptly at -- let's
2 make it a quarter after 12:00 and we will move on
3 with deliberating on some of the recommendations.

4 (Lunch recess.)

5 MR. BRUCE SHUPP: Okay. Let's take
6 our seats, please. Okay. We're going to begin the
7 discussion on the water quality subcommittee
8 recommendation for water use management. This -- of
9 course, this discussion leads subsequently to our
10 vote on acceptance and moving it on to a solid
11 recommendation. We have a quorum. We have a
12 quorum. Opening discussion on the water use
13 management recommendation.

14 MR. DAVE WAHUS: Last night when we
15 were in the museum I crashed the space shuttle when
16 I tried to land it in that simulator, and then I

17 tried landing the lunar module twice and I crashed
18 it both times. So I hope my luck has changed --

19 DR. KATE JACKSON: Stand back.

20 MR. DAVE WAHUS: -- today as we
21 continue. I really enjoyed that last night, that
22 was a lot of fun.

23 Okay. Recommendations on the water
24 quality -- discussion on the water quality
25 recommendations. I will not review the background.

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1 The three recommendations are up here and I will
2 open the floor now for any discussion that -- Miles?

3 MS. MILES MENNELL: I would like for
4 us to consider changing in No. 1, under planning, I
5 would like to rewrite that first sentence.

6 MR. DAVE WAHUS: The first sentence?

7 MS. MILES MENNELL: Uh-huh, and have
8 it read, TVA should take leadership on water
9 management and regulatory issues in the Tennessee
10 Basin by convening a basin-wide partnership to

11 provide for coordinated -- insert education and
12 planning.

13 MR. DAVE WAHUS: I am going to put it
14 up here just for the --

15 MS. MILES MENNELL: Okay. Education
16 and planning, and then I would like to replace the
17 word "between" with "among."

18 MR. DAVE WAHUS: The word right here?

19 MS. MILES MENNELL: Make that among,
20 among all the states cooperatively.

21 MR. DAVE WAHUS: We'll put that in
22 for consideration.

23 SENATOR ROGER BEDFORD: I don't have
24 any heartburn on that.

25 MR. DAVE WAHUS: Any of it -- any

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1 discussion on that? Any comments? Can you see that
2 there? Take out the word "between" and put the word
3 "among" in.

4 SENATOR ROGER BEDFORD: Let's go with

5 it, Mr. Chairman.

6 MR. DAVE WAHUS: No objection to
7 that. Any further discussion on any of these three
8 recommendations? Do I hear any opposition to
9 presenting these three recommendations to TVA? I
10 guess my luck changed. Mr. Chairman, you have three
11 recommendations then to go to TVA.

12 MR. BRUCE SHUPP: Thank you.

13 MR. DAVE WAHUS: Then the other
14 recommendation is the legislative action committee
15 recommendation, and I would open the floor for any
16 discussion you might have here. Miles, your name is
17 still up, did you want to comment?

18 MS. MILES MENNELL: No, not yet.

19 SENATOR ROGER BEDFORD: I thought the
20 recommendation to remove the last sentence -- or the
21 discussion about the moving the last sentence in the
22 second paragraph of this good report would be
23 appropriate, and I would like to urge consideration
24 of that.

25 MR. DAVE WAHUS: You're talking about

1 the one that starts here, this recommendation?

2 SENATOR ROGER BEDFORD: Yes, sir.

3 MR. AUSTIN CARROLL: Okay. I don't
4 have a problem with that.

5 MR. BRUCE SHUPP: It's speculative.

6 MR. DAVE WAHUS: Other discussions?

7 Anything else on this recommendation at all? Do I
8 hear any opposition to removing -- to adopting these
9 recommendations with that last sentence removed?

10 Mr. Chairman, you have a second recommendation.

11 Thank you. I believe that concludes
12 this part of the discussion.

13 MR. BRUCE SHUPP: It concludes your
14 part of the dance, huh?

15 MR. DAVE WAHUS: Yes. I will sit
16 down.

17 SENATOR ROGER BEDFORD: He landed the
18 shuttle.

19 MR. DAVE WAHUS: I did something
20 right.

21 MR. BRUCE SHUPP: All right. We're
22 now 40 minutes ahead of schedule for the public

23 comment period. There is literally nothing left on
24 our agenda except discussion of adjournment,
25 comments about the Council. Any order of business

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1 you would like to bring up before we go into the
2 public comment period, which we must adhere to at
3 1:00. 1:00 is when we advertised it and we have to
4 make sure and wait and see if anyone comes to speak.

5 Comments from anybody? Austin?

6 MR. AUSTIN CARROLL: I would like to
7 ask a question of TVA. I had a constituent ask me
8 about this a couple of days ago and we probably went
9 over it at some point, but I have forgotten what the
10 answer is. In regard to the lands that TVA has in
11 its possession and manages, what is the timber
12 harvesting policy now that -- or what is TVA doing
13 in the way of timber land management?

14 MS. BRIDGETTE ELLIS: As far -- you
15 know, in Land Between the Lakes we had a fairly
16 discrete policy there. On the actual lands around

17 the reservoir we have about 328,000 acres across the
18 valley and of that about 150,000 of that is managed
19 for natural resource management. So that is all of
20 those multiple purposes for timber, for wildlife
21 management, all of those different types of things.
22 If you were to ask me do I have an active timber
23 management program, I would say no.

24 And what we are -- our process is,
25 it's very similar to our lands planning process, in

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1 that we work with specific stakeholder groups and
2 interest parties that are interested in individual
3 tracts and compartments and talk about, what are the
4 long-term natural resource type needs that they have
5 and what kinds of things would they like for us to
6 do there.

7 So, for example, what we might do is
8 do a wildlife habitat opening for quail or a
9 wildlife habitat opening for different types of
10 species and those things, but I don't routinely go

11 in and inventory timber, understand what my Basal
12 area, understand what my board foot volume is and
13 then come up with a long-term timber management
14 plan, we're just not doing that.

15 MR. AUSTIN CARROLL: I guess a
16 question would be, would there be any opportunity
17 for, you know, revenue associated with, you know,
18 timber harvesting and would it make any sense to,
19 you know, maybe be looked at, you know, contracting
20 that out, you know, say to -- I know Westvaco is a
21 company that's very good in timber lands management
22 and they manage it for, you know, different reasons,
23 wildlife, and things like that in combination
24 request timber harvesting. I didn't know if TVA had
25 looked at that kind of thing and is there an

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1 opportunity there.

2 MS. BRIDGETTE ELLIS: Yeah, there
3 would be an opportunity there, I'm sure. Let me
4 give you a couple of examples. This recent pine

5 beetle infestation that we have had across the
6 eastern part of the Valley, that was a situation
7 where we did actually go in and harvest a lot of
8 pine trees, and mainly that was because of the
9 safety issues, but to go a head and get that and try
10 to get some kind of merchantable value out of that
11 we went ahead and did that for a lot of those pine
12 stands because they were being lost.

13 As far as developing a revenue source
14 off of the timber land, that's not one of my
15 priorities and that's not one thing that our
16 stakeholders say they think is important about those
17 remaining public lands around the area. And
18 remember, a lot of the tracts that we manage now are
19 very small, and so it's not even economically
20 feasible to hire a contractor that really wants to
21 even come in and get into merchantable timber
22 anyways.

23 MR. AUSTIN CARROLL: That's the kind
24 of thing I was wondering about, if it made any
25 sense, because I knew it was just -- you know,

1 you've got parcels here and there, but I didn't know
2 if -- you know, if you looked at the whole thing
3 whether that had any opportunity there or not. So
4 thank you.

5 MS. BRIDGETTE ELLIS: I really don't
6 have a lot of very large tracts anymore in terms of
7 that, so it's very difficult.

8 MR. BRUCE SHUPP: Roger?

9 SENATOR ROGER BEDFORD: Mr. Chairman,
10 while we're taking some thoughts and comments and
11 all issues obviously are local in some form or
12 nature, I hope that, Kate, you and the TVA Board
13 will look at the economic development opportunity
14 presented by the Alabama Retirement Systems'
15 proposal to build a \$50,000,000 golf course there in
16 Muscle Shoals as part of their economic development
17 plan.

18 I know that TVA is taking public
19 comment at this time about the Retirement Systems'
20 proposal. But as one of the stakeholders in that
21 area, I think it would mean a great deal to our
22 economy and also further enhance TVA's good

23 reputation as a partner in the development in the
24 area.

25 DR. KATE JACKSON: For those of

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1 you -- I will just give a little background. There
2 is a proposal from the communities in Muscle Shoals,
3 kind of a groundbreaking proposal actually, which
4 had been signed by all the mayors, all the county
5 executives in the Shoals area, Economic Development
6 Association, and I don't think there's ever been
7 anything that group has agreed on.

8 SENATOR ROGER BEDFORD: Correct,
9 until now.

10 DR. KATE JACKSON: That's really
11 wonderful news. And the proposal is to accept a
12 proposal from Dr. Bronner who is the manager of the
13 Shoals -- or the Alabama Retirement System to build
14 a Robert Trent Jones Golf Course on a piece of
15 property that is currently part of the Muscle Shoals
16 TVA reservation and to, in addition, have 15 acres

17 on the other side of the dam, build a hotel on that,
18 and that the total request is on the order of a
19 little more than 700 acres of land.

20 And what we are currently doing, we
21 have a Notice of Intent in the Federal Register
22 starting last Friday for 30 days to take public
23 comment. There will be public meetings the 11th and
24 12th of February in the Shoals area to make sure
25 that we get everything that the local community

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1 stakeholders want to have evaluated in this process.

2 It's an environmental review at this
3 point. At the end of that 30-day process we will
4 determine whether it has to be an EA or an EIS and
5 we will move forward trying to evaluate that land.
6 There are some rich cultural resources there.
7 There's a small wild area. There's a natural trail
8 system, about 2.7 miles, that's part of the national
9 trail system. So there are competing uses of that
10 piece of property, and the public relatively split.

11 Many hold Roger's perspective but
12 many believe that that's the inappropriate use of
13 that piece of land. They don't quarrel with the
14 golf course, they quarrel with the spot.
15 Dr. Bronner doesn't want to consider any other spot,
16 so it's either there or nowhere, and we are
17 proceeding as expeditiously as we can to examine
18 that.

19 DR. STEPHEN SMITH: Kate, I don't
20 want in that -- just a clarification on that. There
21 was a period where there was some concern about TVA,
22 in essence, selling off its public assets to
23 developers for profit making, whatever, given, you
24 know, that TVA land was acquired in public interest,
25 and this, that, and the other, was there -- is there

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1 a policy, I mean, about -- if that land was to be
2 transferred, would there be almost like a picking up
3 of another -- or would TVA just be out 700 acres?

4 DR. KATE JACKSON: You asked about

5 three questions in there. I will try to get them
6 all. If I miss one, get me back.

7 First of all, there is -- there is no
8 firm corporate statement on exactly what we will do
9 with every piece of land. There is a policy that we
10 use that is a statement by the Board which, of
11 course, had different members when the statement was
12 made, a statement by the Board that we do not intend
13 to release any additional public land. So, you
14 know, that is obviously something that's a
15 groundwork for us to work from. That is not
16 something that cannot ever be changed or
17 recontemplated.

18 The no-net-loss issue is the
19 maintaining gain policy, which was part of the
20 shoreline management initiative, which only becomes
21 invoked when there are residential properties
22 involved. Because this particular proposal does not
23 contemplate having any residential property
24 whatsoever, maintaining gain does not apply here.

25 So the issue becomes the current use

1 of that piece of property is for multipurpose use,
2 and the use for it as a golf course will be
3 relatively less multipurpose, that's the thing that
4 we need to hear from the public on.

5 Did I miss anything?

6 DR. STEPHEN SMITH: No. No. That's
7 good. I mean, because I -- it seems to me that the
8 Board had taken the position that TVA was -- as far
9 as its public lands was -- I mean, this is sort
10 of -- this constant erosion of what TVA has is --

11 DR. KATE JACKSON: And I think, you
12 know, that statement is, gosh, we'd really like not
13 to, but we also recognize that, you know, those
14 lands often are in prime locations and are wonderful
15 opportunities for economic and regional development,
16 and like many of the things that we're involved in,
17 we end up trying to do that very uncomfortable
18 difficult balance, and that's where we are.

19 MR. JIMMY BARNETT: Mr. Chairman, I
20 would like to, of course, echo my support of Roger,
21 being from that particular neck of the woods, and
22 the things that are going on there now, like the

23 trail and everything, though it might have to be
24 slightly altered, probably working with Dr. Bronner
25 as far as the design of the course could maintain it

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1 and even make some of those things more accessible
2 to the public.

3 Some of them are hard to find right
4 now. I mean, you have to look for some of the
5 foundations of the old -- what was the name of that
6 fort? Anyway, the original village that was there.
7 I went up there looking for it and it took me an
8 hour to find it. So if you had to miss it with a
9 golf course but it made it accessible a lot more
10 easier, more people could take advantage of looking
11 at that, that's just from my standpoint.

12 DR. STEPHEN SMITH: I'm just curious,
13 are there -- is there -- is there a view that
14 there's a shortage of golfing opportunities in the
15 Shoals area?

16 SENATOR ROGER BEDFORD: It's more --

17 not so much about golf as it is economic
18 development. The Retirement Systems of Alabama has
19 built a golf trail. And Stephen, for those of us
20 who are not avid golfers, and I'm not, it might be
21 hard to understand, but we actually have 747's full
22 of Japanese businessmen that are rented every summer
23 that fly to Mobile to play the entire trail, and
24 Dr. Bronner uses this as an economic development
25 tool to bring top corporate executives into a

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1 particular area of the state where they play the
2 trails and then meet with the Chamber of Commerce,
3 meet with the economic development people while they
4 are there.

5 This was a tool we used with
6 Mercedes, we used it with Honda, and we hope to use
7 it with Hyundai to get those plants into our area.
8 And this is -- would -- and there is no such
9 comparable facility in Northwest Alabama, there is
10 one here in Huntsville, but it has residential

11 development all around it. This one would have no
12 residential development around it but would be a
13 hook, if you will, for economic development, for
14 tourism to help with the retirement efforts there,
15 to build a retirement village there in that
16 community, not the golf course.

17 MR. GREER TIDWELL: While we're
18 talking about golf courses, my company,
19 Bridgestone/Firestone has had a little experience
20 with getting as much public benefit as you can out
21 of a golfing scenario.

22 Down at the old Memphis tire plant,
23 which was closed down many years ago, which we no
24 longer owned, we went in and hooked up with an
25 outfit called First Tee, which actually uses golf as

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1 the foundation for teaching life skills, employment
2 skills in the community, and bringing youth to the
3 outdoor sport of golf as well.

4 And I think if there's a -- if

5 there's something I strongly believe in, it's public
6 lands for public uses, and if that's some of the
7 debate that's going on down there, I recommend -- I
8 will help you with the contacts with a group called
9 First Tee that may help get some more public good
10 out of a potential land that might seem like it's
11 coming out of public use.

12 MR. BRUCE SHUPP: Any comments on the
13 golf course? Open subjects? We have got 25
14 minutes. Anybody have a speech they always wanted
15 to make and never had the time?

16 MR. THOMAS GRIFFITH: Keep it if you
17 do.

18 MR. JIMMY BARNETT: I can't believe
19 this group doesn't want to talk.

20 MR. BRUCE SHUPP: We're a very shy
21 people. All right. I will bring up the subject.
22 I'm not going to make a speech, but I'll bring up a
23 subject. Let's talk a little bit about TVA's
24 potential public information and education program.

25 Kate, explain to us how your

1 communications group or your media relations group
2 or your public information group, whatever it's
3 called, is structured now and how it works within
4 the divisions.

5 DR. KATE JACKSON: We have an
6 executive vice president of communications and
7 government relations. She is located in Knoxville.
8 She has the responsibility of external
9 communications, sort of the operational
10 communications activities, media relations, employee
11 communications, and all local and federal government
12 relations. So that's the relations of -- in
13 Washington between federal agencies, among federal
14 agencies, Miles, and with the Congressional
15 delegation and the help.

16 And within the communications staff
17 there are focus areas. Those areas are split into
18 sort of how the operations works. One of them
19 focuses on most of the power based assets. One
20 organization is focused on river operations and
21 environmental stewardship.

22 And actually, is Barbara still here?

23 She's out talking on the phone. Barbara Martocci,
24 who has been in many of our meetings, is the manager
25 of that organization. And we have some folks

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1 that -- regionally sit with the folks and that are
2 responsible to help do that liaison in
3 communications and make sure that those
4 organizations are connected back to the corporate
5 message.

6 And as you know, a big organization
7 like TVA that has specific operational focus areas,
8 sometimes the fossil folks might be communicating on
9 an issue and the resource stewardship folks might be
10 communicating on a slightly different component of
11 that issue, so the fact that that communication is
12 all centralized allows us to coordinate that message
13 and make sure that we're always in front of the
14 public trying to convey a coordinated set of
15 messages.

16 Now, how that works with community

17 outreach, environmental activities, K through 12
18 education, we pulled back for many years away from
19 most of those things. We are just now beginning to
20 chart our path back toward how far do we want to go
21 there, what kind of communication activities we
22 want. So actually this is a pretty good time for
23 you-all or folks like you to provide us someone
24 input and insight on that kind of activity so that
25 as we think about what role TVA should play in that

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1 in this region we do it with some advice.

2 MR. BRUCE SHUPP: Has there been --
3 in the past has there been efforts -- in the past
4 has there been efforts of image development?

5 DR. KATE JACKSON: Yes.

6 MR. BRUCE SHUPP: All right. Did it
7 work?

8 DR. STEPHEN SMITH: What was the
9 question?

10 MR. BRUCE SHUPP: In the past has TVA

11 focused on image development?

12 DR. STEPHEN SMITH: Image development
13 for TVA?

14 MR. BRUCE SHUPP: Develop the image
15 of TVA in the community.

16 DR. STEPHEN SMITH: Oh, yeah.

17 MR. AUSTIN CARROLL: The former
18 chairman was real active in that role.

19 MR. JIMMY BARNETT: Mr. Chairman,
20 being a power distributor like some of the others in
21 here, TVA did some of that and some of it was
22 exquisitely well done and some of it stunk.

23 MR. BRUCE SHUPP: How long ago? I'm
24 groping. I don't know.

25 DR. KATE JACKSON: Well, I think this

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1 is a journey, not a destination, let me say that
2 first. I mean, I think we worked very hard -- if
3 you will think back to 1988 when Mr. Runyon was on
4 the Board we were working very hard trying to

5 improve efficiency, focus on our operations, get our
6 fossil fleet back on-line, get the nuclear fleet
7 back organized. So we were focused very much on
8 that business operations rather than focusing on
9 ourselves as a regional development agency. I think
10 that worked extraordinarily well. I also think that
11 maybe we took it to an extreme.

12 Over the past five years we have kind
13 of redoubled our efforts to look back to our
14 mission, and many of you have helped us do that with
15 respect to what is, in fact, the credible
16 differentiator that TVA provides in the marketplace.
17 And part of that is awesome operations as a utility,
18 but part of it is the heart and soul of a federal
19 agency, and that's a powerful, powerful combination.

20 And we have begun to try to turn the
21 aircraft carrier to talk much more eloquently about
22 the fact that in a deregulated market, a public
23 power agency, a regional development agency can
24 provide an opportunity to the stakeholders in the
25 region that an investor-owned utility can't and that

1 we can do things because we have the multiple
2 responsibilities of several federal agencies that no
3 single federal agency can.

4 We're trying really hard to develop
5 and articulate that message. I think you have seen
6 some of that. The fact that we have the little
7 green CD out there, and there are some people who
8 know about it, is a start in that direction. Now, I
9 think that there's more work to be done, and some of
10 it will still focus on our good business operations,
11 on our reduction of cost of power, of increased
12 reliability, but I think there's this extra
13 dimension of the message that we are only learning
14 ourselves how to articulate.

15 MR. BRUCE SHUPP: I think you now
16 have an operational culture within the organization
17 where I think you're talking more internally about
18 the good things you do and the benefits of the
19 things you do, and if you could just get that out
20 and express that publicly, I think it would be a
21 very beneficial thing.

22 SENATOR ROGER BEDFORD: Kate, could

23 you talk to us a little bit about how you would
24 envision the next generation of this Council or
25 Council II, whatever the proper term is, as a role

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1 and meeting requirements and things like that?

2 DR. KATE JACKSON: Oh, only two
3 meetings a year. Well --

4 MR. BRUCE SHUPP: Her nose is
5 growing.

6 DR. KATE JACKSON: Yeah. First of
7 all, Mayor Griffith came over and asked me during
8 the break, is this for two years, and I'm sorry, I
9 forget to say that, the Council is going to be
10 renewed for a two-year term.

11 And what we did was we kind of went
12 back and examined all of the things that we have
13 talked about over the past two years and then
14 thought about how do we take the next step with
15 respect to several things that you-all focused on in
16 some of those meetings.

17 Some of those are, how do we focus on
18 discussion of issues that TVA has a role in, and in
19 some cases a fairly strong role in, but only one
20 voice? And I think the biodiversity discussion this
21 morning is an awesome discussion of that.

22 And in so doing, how do we, you know,
23 band together -- we or you band together to discuss
24 that issue and then be inclusive of sort of the next
25 ring of stakeholders from you where you sit out to

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1 include them in some of those regional discussions
2 that lead to policy development by TVA and other
3 state and federal agencies on those issues?

4 And some of examples of those, the
5 ones that you-all raised yourself, things like water
6 supply, water quality, sustainable development, you
7 know, biodiversity might even be one. And what we
8 want to do in this next Council is focus on some
9 issues like that so that we can have discussions
10 where we can, as a greater set of stakeholders, talk

11 about what some of those future issues may be.

12 So what we would like to do is
13 suggest that we do four meetings over that period of
14 two years, which we all realize will be more like 18
15 months by the time we get up and running,
16 recognizing it will take us awhile from here, and
17 focus them on particular issues like sustainable
18 development or sustainable growth or sustainable
19 management or regional water supply and have a
20 half-day Council meeting where the Council members
21 can actually talk about the issues, bring in
22 experts, ask questions, whatever, and then have a
23 second day more workshop like seminar, like --
24 conference like feel where you-all can bring in the
25 folks that you convene and facilitate to broaden the

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1 discussion on a particular issue, and then hope that
2 we generate from that regional action on some of
3 those issues. So that's our suggestion.

4 As you-all know, the Reservoir

5 Operations Study will be ongoing. It will have a
6 public review group associated with it. I'm sure we
7 will have ongoing status reports, but I am assuming
8 that that will take much of what captured this
9 Council and put it over there and the ongoing
10 Council will be able to focus on some other issues
11 that Council members feel passionate about.

12 DR. STEPHEN SMITH: Kate, do you
13 envision that even though the intent would be two to
14 three meetings a year to do similarly what you
15 talked about, that the Council could call for more
16 frequent meetings if something came up that sort
17 of -- it was relative to do that, in other words,
18 you're not trying to -- I mean, because, you know,
19 we -- none of us have a crystal ball about what's
20 going to happen, and I think that one of the values
21 of the Council is the ability to respond to
22 circumstances, and so if you -- while you may never
23 exercise that, I think preserving that option --

24 DR. KATE JACKSON: Yeah.

25 DR. STEPHEN SMITH: -- as a

1 confidence enhancing -- you know, that, yes, we --
2 you know, we realize that X, Y & Z, but we still
3 preserve this to be able to do it, and I don't know
4 whether we come up with a policy or if the next
5 iteration comes up with a policy of how you trigger
6 that if you feel it's necessary.

7 DR. KATE JACKSON: My suggestion
8 would be to just allow it to go on the way it has,
9 and there's an opportunity either for the chair,
10 whoever he or she may be, or for TVA to request that
11 kind of an extra meeting.

12 We have not rewritten the Charter.
13 The Charter remains as it was. So we haven't
14 written in restrictions, this sort of meeting beyond
15 that I talked about, that's just what we're
16 suggesting. And that was really in response to the
17 water quality discussion that we had when Skila was
18 here, was it two meetings ago, talking about water
19 quality and really, you know, that these issues
20 ought to be discussed on a broader basis and you-all
21 have folks that you think should be able to be
22 involved and link in and network and we agree with

23 that.

24 MR. JIMMY BARNETT: I guess a comment
25 I have got is the subcommittee that Stephen serves

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1 on, along with me, and some others around here,
2 still have some issues they would like to have
3 brought up, except that we just only had -- we had
4 to prioritize it, and that was an agonizing process
5 but we did, and that's the way we brought our
6 recommendations to you-all.

7 They still feel there's some other
8 things out there that need to be discussed. And I,
9 for one, am extraordinarily proud of the
10 subcommittee. It was a very diverse group of people
11 and diverse opinions that worked exceedingly well
12 together, I would like to see them to have the
13 opportunity to, you know, see them have more input.

14 DR. KATE JACKSON: And certainly
15 we're open to that. As I said last night, those
16 subcommittees terminate with this Council. If the

17 next Council chooses to establish subcommittees,
18 that's wonderful. It's not necessary. It's up to
19 the Council. And if they are on the same -- you
20 know, if water quality wants to go for another
21 round, I think that's up to the Council members, and
22 we will just discuss in an ongoing way how we move
23 forward with populating those subcommittees as we
24 go.

25 DR. STEPHEN SMITH: I guess in that

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1 spirit, and maybe it was discussed that night, and I
2 apologize for not being there, is -- I understand
3 there are letters being sent to Council members.
4 Are there letters being sent to the subcommittee
5 members also sort of informing -- and then is it
6 appropriate -- well, I guess, you know, I don't want
7 to prejudge, but I'm just wondering, it did take
8 some time to assemble what we felt was a very well
9 put together subcommittee on water quality, and
10 obviously we wouldn't want to necessarily lose that,

11 and I'm just wondering, you don't want to prejudge
12 but at the same time you also don't want to discount
13 the work that's been done and the -- and the talents
14 that are available, so --

15 DR. KATE JACKSON: And we struggled
16 with that as we moved forward, particularly with the
17 water quality subcommittee because you had such a
18 broad and different set of people around the table.
19 You know, I don't see any reason why we can't look
20 for -- if there's something special in the interim,
21 why we can't look for some other vehicle for an
22 outlet for that. I think we're perfectly willing to
23 do that.

24 Clearly, it's under a set of
25 different auspices, you know, maybe more similar to

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1 the green group than similar to the Council, but I
2 think there might be some opportunities for that
3 between now and then if you feel there's a need for
4 some sort of a stop gap.

5 DR. STEPHEN SMITH: You know, it's
6 just that -- I mean, we have people like Paul and
7 others who are state level officials and some
8 federal folks and we have clearly -- I mean, they
9 think can get diverted and off they go, and before
10 you know it, it would be difficult to reassemble
11 them. I guess that's a conversation, Jimmy, we
12 probably ought to have at some level about how to
13 preserve what we have to some degree, but yet, not
14 prejudge the next iteration.

15 MR. BRUCE SHUPP: Adding to that, the
16 water quality subcommittee was -- I mean, I have
17 been on a zillion of committees over the years and
18 worked with all kinds of professional groups, and
19 that was about as good a group of people as far as
20 working together with understanding the issues and
21 trying to come up with a reasonable solution, that's
22 one of the best groups of people I have ever worked
23 with, and I mean that at all levels, national
24 committees, task forces, regional stuff, that was
25 just a great group of people, and it would be good

1 to keep that package together somehow. I mean, they
2 are really outstanding. They are givers. They give
3 their time. They give their ideas. They are really
4 givers.

5 DR. KATE JACKSON: Your advisor has
6 regaled me with that. So John has really, really
7 communicated that to me in no uncertain terms. I'm
8 very sensitive to that and I appreciate all that
9 hard work, you guys back there.

10 MR. BRUCE SHUPP: And most of them
11 are here. I mean, they just come to all the
12 meetings. They are amazing. They put in as much
13 time, as does Marcellis, as the Council members, and
14 it's to me outstanding. It really is impressive.

15 Any other subjects?

16 We've got seven minutes. Does
17 anybody sing well?

18 DR. KATE JACKSON: Or badly?

19 MR. BRUCE SHUPP: Or badly? Let's
20 take a break. Let's take a ten-minute break and we
21 will reassess our objectives when we come back in
22 ten minutes.

23 (Brief recess.)

24 MR. BRUCE SHUPP: Okay. I think we
25 need a quorum to adjourn. This is the public

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1 comment period for the Regional Council. It started
2 at 1:00. We have no one registered to speak.

3 Is there anyone in the audience that
4 is here who would like to speak? Is there anyone
5 who would like to speak?

6 SENATOR ROGER BEDFORD: Since I did
7 not have the privilege of getting up here in time to
8 say goodbye last night, I would like to exercise
9 that point of personal privilege.

10 This has been an interesting journey.
11 It's one that was much more time-consuming and
12 demanding than I ever envisioned, but through it I
13 think I have learned a lot and grown a lot and my
14 respect for TVA and its operation has grown as well.

15 And as I look around the room to the
16 ladies and gentlemen that are here, and those that

17 aren't with us, I think we have grown from
18 individuals put on a board to friends and compadres
19 and people who have learned to respect each other
20 and learn from each others' diversities and our
21 visions.

22 And Kate, I want to thank you and
23 your staff. I never felt like you-all were trying
24 to dominate or had a secret agenda as was
25 promulgated from time to time in the beginning of

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1 this. I think you have been true facilitators
2 rather than dominators, and I want to thank you for
3 that. And I think it speaks well of TVA. I think
4 it really adheres to what this Council has been all
5 about.

6 I want to especially thank the
7 integrated river management subcommittees, Jack and
8 everybody else who has taken the time, Tom, to be
9 here and travel with us, and the members, it's been
10 a great journey for me, and I want to thank you.

11 And to all of y'all, if you are ever down Jimmy and
12 my way, please give us a call, you've always got a
13 place to stay or a good meal to eat.

14 Thank you very much.

15 MS. JULIE HARDIN: Hey, Roger, you
16 ought to run for office.

17 MR. BRUCE SHUPP: Thank you, Roger.
18 And I can assure you that was the sentiments that
19 were voiced last night in your absence. Everybody
20 else said just about the same thing.

21 Anything else for the good of the
22 order?

23 MR. LEE BAKER: Adjourn.

24 DR. KATE JACKSON: I want to thank
25 the chair, we appreciate your leadership.

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1 MR. BRUCE SHUPP: It's been a
2 pleasure for me, believe me, and I enjoyed working
3 with every one of you and am certainly proud of the
4 Council and very appreciative of TVA for the

5 opportunity. So thank you.

6 Anything else?

7 SENATOR ROGER BEDFORD: Safe travels

8 and God bless.

9 MR. BRUCE SHUPP: Yep. We are

10 adjourned.

11 END OF PROCEEDINGS

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1 REPORTER'S CERTIFICATE

2 STATE OF ALABAMA
34 I, Kimberly J. Nixon, RPR, the officer
5 before whom the foregoing meeting was taken, do
6 hereby certify that the discussion appearing in the
7 foregoing transcript was taken by me in machine
8 shorthand, and thereafter reduced to typewriting by
9 me;
1011 That the exhibits annexed to this
12 transcript are the true, accurate and only exhibits
13 introduced to the meeting, and that the transcript
14 was prepared under my supervision, and attached to
15 this certificate is a true, accurate and complete
16 transcript, as provided by law;
1718 That I am neither counsel for, related to,
19 nor employed by any of the parties to this action;
20 and I further certify that I am are not a relative
21 or employee of any attorney or counsel employed by
22 the parties hereto, nor financially or otherwise
interested in the outcome of this action; and that
the foregoing transcript is complete and accurate in
all particulars, as provided by law.15 In witness whereof, I have hereunto set my
16 hand this_____day of_____, 2001.
17
18
1920 _____
21 KIMBERLY J. NIXON, RPR
22 NOTARY PUBLIC IN AND FOR THE
STATE OF TENNESSEE AT LARGE.
MY COMMISSION EXPIRES APRIL 24,
2004.

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